

I WILL TEACH YOU TO BE RICH

RAMIT SETHI

INSPIRED
BY THE
MILLION-COPY
BESTSELLER

No Complicated
Math. No More
Procrastinating.
Design Your
Rich Life Today.

THE JOURNAL

THIS JOURNAL BELONGS TO:

**I WILL
TEACH
YOU
TO BE
RICH**
THE JOURNAL

RAMIT SETHI

Workman Publishing
New York

This journal is dedicated to Jill Jensen,
my coworker, executive assistant, and
friend. You were a shining light and a true
professional. I will miss our times together.

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INTRODUCTION

I can promise you one thing: You are never, ever going to find a “Just Breathe” sign in my house.

I love imagining someone at Target casually pushing their cart, looking for some pretzels, then turning into the Interior Decoration aisle. They walk past the “Live, Laugh, Love” sign—too cliché—and then, suddenly, they see this sign. Yes! This is it. This is what they need.

What’s going through their minds? Are they genuinely worried that their body will forget its natural instinct to stay alive? Or is it the mere aesthetic desire to look like that one house they saw on Instagram?

As you can tell, I’ve thought a lot about this.

I know, I know. Buying that sign isn’t really about breathing. It’s about wanting to surround ourselves with inspiration and beautiful thoughts. To remind ourselves that despite our emails and packed calendars and endless to-dos, we should focus on what matters most.

And I have to admit that I also feel this way—I just show it differently. I choose my travel destinations based on curiosity and adventure. I have a collection of design books because they inspire me. I feel good when I’m surrounded by beauty and encouragement from the people I love.

We all share this intuitive need to find an inspiration, a purpose, something bigger than our daily existence. But when we think about money, the concepts of inspiration and aspiration are sorely missing. In fact, fear and anxiety are quite often the primary emotions. I know people who have read my book, *I Will Teach You to Be Rich*, saved and invested more than a million dollars, and still feel anxious about money.

When was the last time you got *excited* about money? When was the last time you truly dreamed about what you wanted to do with money? If I asked how it would feel to spend *even more* on the things you loved, how would you react?

That's why I created this journal.

Using my exercises and prompts, you'll create a beautiful vision of your Rich Life—your ideal life in which your money, relationships, and leisure time work together beautifully. It will be a vision that excites and inspires you.

In the following pages, I've shared my approach for helping you envision your Rich Life, along with vivid details that make it personal. We'll deconstruct some of your “invisible scripts” about money; rewire your money beliefs; create specific money rules that let you live your Rich Life, guilt free; and much more.

I know this: As you go through the exercises, your vision of a Rich Life will begin to materialize. Suddenly, you'll realize *why* you work so hard—and what would make your life even more fulfilling. My wish for you is that by the end, you'll be absolutely confident and unapologetic about how you want to live your Rich Life.

But before you get started, I want to hear from you. Please email me (ramit.sethi@iwillteachyoutoberich.com, subject: Journal Reader) and tell me two things:

1. When you think about money, what words come to mind?
2. What does your Rich Life look like in five years? (Please be specific.)

I read every email, and I try to respond to as many as possible.

Now let's begin.

RAMIT SETHI
Los Angeles, CA

1

**DESIGN
YOUR
RICH LIFE**

What does your dream house look like? Is it one story or two? Is it by the beach, in the countryside, or on the thirty-fifth floor of a high-rise building? How about the interior—is it modern? Minimalist? Vintage? Do you have a kitchen with beautiful pans and high-tech gadgets on your countertop? A kids' playroom? A grand fireplace or a big backyard? Mine has a home office with high ceilings, Japanese wood throughout, and comes with a handyman for life so I never have to set foot in Home Depot. Now that's a Rich Life.

With a little time, it's easy enough to sketch out our basic dream house. But the rest of our life looks a lot hazier. What do we want to do? Where do we want to go? What's important to us?

I've prepared a list of prompts for you to design your Rich Life. Notice that word "design": When was the last time you intentionally designed *any* aspect of your life? Most of us are so busy answering emails and working that we never have the opportunity to take a breath and think ahead.

Now you have that chance. It may take you a few attempts, but you can (and should) reconsider, modify, and enlarge that vision over time.

Sure, it could involve something extravagant like flying private. But it can also involve something thoroughly practical. (One of my Rich Life goals is shipping my luggage ahead and having both hands free while I walk through an airport!)

Your Rich Life might include:

- » Picking up your kids every day from school
- » Buying a \$1,000 cashmere sweater
- » Getting anything you want from Whole Foods without ever worrying about cost
- » Taking your family on an unforgettable Disney World vacation where they can go behind the scenes with cast members
- » Buying an extra phone charger for every room in your house

Notice that a Rich Life can be as small as a phone charger or as big as a beautiful vacation home. (I recently bought a second French press so I didn't have to wash it every day by hand. Every morning, I'm grateful for spending that \$20.)

The questions in this section will help you start to visualize and bring to life all those ideas in your head about what your Rich Life could be.

Now it's time to design.

I want you to write down how you think about your financial life today and your Rich Life tomorrow. Don't feel constrained—think about everything! Consider the words that come to mind (stress, excitement, shame), what you spend money on, and what gives you joy.

What My Life Looks Like Today

What My Rich Life Looks Like Tomorrow

» Then think about the differences in your answers. What do you notice?

I always say, “Show me someone’s calendar and their spending, and I’ll show you their priorities.” Think about what’s most important to you in your Rich Life, and then look at your spending for the last two weeks. How well does your time and money align with it?

		What you’ve been focusing on	What you want to focus on going forward
Week 1	Time		
	Money		
Week 2	Time		
	Money		
Example Week	Time	<i>Instagram, The Bachelor, existential dread about my purpose in life</i>	<i>Meeting a new friend, learning a new language, The Bachelor (be honest)</i>
	Money	<i>Gadgets that look amazing but actually suck, mediocre takeout</i>	<i>Planning an amazing vacation, building my emergency fund</i>

FILL IN THE BLANK

In my Rich Life, I will no longer _____

- Examples**
- » Tip below 25 percent.
 - » Worry about insignificant expenses.
 - » Complain about taxes.

YOUR PERFECT DAY

Let's plan out your perfect day. What's the first thing you do when you wake up? How do you spend your afternoon and evening?

6 AM

7 AM

8 AM

9 AM

10 AM

11 AM

12 PM

1 PM

2 PM

3 PM

4 PM

5 PM

6 PM

7 PM

8 PM

9 PM

10 PM

11 PM



SKETCH

Close your eyes and imagine your Dream House. Where is it? If it's in a busy city, which one? Which exact neighborhood? (Get really specific!) If it's far from other people, close your eyes and imagine what the view looks like from the front door. What kind of building is it? Modern? A rustic cottage? How many bedrooms? Draw or clip pictures of it here.

A large rectangular area filled with a grid of small, evenly spaced dots, intended for sketching or drawing a house or scene.

Some Design Elements to Consider

» Number of bedrooms » Kitchen » Backyard » Home office
» Entryway » Pool » Lighting » Architecture style » Height of
ceiling » Windows » Furniture pieces » Location (beach, country,
mountains) » Cleaning (frequency and who does it)

YOUR RICH LIFE BUCKET LIST

Quickly list fifteen items on your Rich Life bucket list. They could be travel destinations, things you want to buy, activities, events, people you want to meet, and much more.

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

» At the end, circle the top five that are most meaningful to you. What word or phrase comes to mind?

Pick the item from your bucket list that's most exciting to you. We're going to figure out how to make it happen!

1. Estimate how much it will cost. This is the step that trips up a lot of people because they feel the need to be totally precise about the exact number. No! I want you to create a back-of-the-napkin number, then add 20 percent to it so you're not surprised. Like this: "My dream is to go to Italy for two weeks. I want to fly business class, which is probably \$3,000. Fancy hotels aren't a priority, so I could find a room for \$200/night. I really want to go to the Vatican, eat at a special restaurant, and visit Tuscany, which will all cost about \$500/day, so that's a total of around \$15,000. Add 20 percent for things I didn't anticipate, so that's \$18,000." Remember, your goal is not to be precise. It's to sketch out the rough prices so you can make your vision a reality. When in doubt, dream big!

2. Decide when you want to do it. Is this something you want to do three months from now? If so, you'll have to save \$6,000 per month. But what if you want to do it five years from now? Suddenly, you can take that amazing trip to Italy by saving \$300 per month.

3. For very large goals that are more than five years away, you can *invest* your money. When my wife and I did this exercise early on in our marriage, we decided we wanted to celebrate a ten-year wedding anniversary abroad with all our friends and family. We both picked a big number. Over that long time period, we saved and invested about half the amount needed, and investment returns made up the other half.

CREATE YOUR BUCKET LIST PLAN

Bucket Item:

Cost:

Timeline:

Plan:

Look back at the bucket list you just made on page 14. Think about *when* you would like to do those things.

By age forty, I'd like to ...

Between ages forty and fifty, I'd like to ...

Between ages fifty and sixty, I'd like to ...

Your Prime Spending Years

When I was visiting India, my uncle told me something I'll never forget: "Your prime spending years are between forty and sixty years old."

Think about that: What if you didn't just have to think about *saving* more, but you actually had to consider what and when to *spend* it? And the right answer wasn't just "later"?

You and I intuitively get this. We know that there are certain things that are better done now, and others later. I'm not rolling out to Everest Base Camp when I'm ninety.

But stop right there! Before reading on, don't make the mistake that so many people do. They defer their dreams until some day in the future, thinking of some magical moment when they'll have the time, money, physical health, and mental energy to fulfill it. The world's couches are filled with people who said, "I'll do that someday."

If you remember one thing from this journal, remember this: *Your Rich Life will never happen on its own.* Only you can make it happen—and I want you to make it happen soon.

It's true that you'll probably have more money in the future than now. But often, as your net worth goes up, your inclination and willingness to try new things goes down. Imagine being too old to spend your money. My uncle mentioned my grandfather. "If you gave him \$10 million now, what would he do with it? He doesn't need money. He's just happy being home with us."

This is a provocative idea: that we all have an optimal spending window. Spend too early and you'll run out of money. Wait too long and you won't be able to truly enjoy it. Do you want to turn seventy and realize you have millions of dollars, but lack the skills and desire to spend it?

This philosophy has profound consequences for us. If you're crafting your Rich Life now, and you know the sweet spot for spending is between forty and sixty years old, what would you do now? What would you do later?

With the concept of your “prime spending years” in mind, ask an older relative or friend the questions below about money. What do you notice?

If they could
go back in
time, what
would they
do differently
with money?

How did
they
approach
money both
at your age
and now?

Who are
their role
models with
money?

What do
they spend
a lot on?

What do
they spend
a little on?

What was important to you ten years ago? (Consider areas like personal relationships, living situation, or how you spent your time.)

What's important to you now?

FILL IN THE BLANK

In the next year, I want to be able to _____

in order to take a step closer toward my Rich Life.

How to Create Your Ten-Year Rich Life Bucket List

Set aside thirty minutes in a comfortable, quiet place. Your goal is to brainstorm the most exciting, meaningful things you want to accomplish in the next ten years.

Examples might include: learning Spanish, taking a three-week trip to Japan with your kids, buying a Chanel bag, hiring someone to clean your house weekly, donating 5 percent of your income to charity, or coaching a soccer team.

The rules are:

- 1. Think big!** Don't restrict yourself. You have a decade to accomplish these! Ask yourself: How can I go even bigger?
- 2. Make it meaningful.** I want you to consider the things you truly love and create an amazing experience for yourself. (For instance, I love stationery. When I was in Kyoto, I visited a local artisan whose family has created handmade notepads for generations. He showed me how he crafts the notepads, then he helped me design and make my own; I found it incredibly meaningful, and the notepad is now sitting on my desk next to me.)

When you finish, take a quick break, then come back. When you look at the list and imagine doing even half of them, how do you feel? If you've chosen the right bucket-list items, you should feel a combination of excited and nervous.

If you tried this exercise with a partner, this is a great time to share your list with each other. Have fun. When my wife and I did this together, I remember saying, "You want to do WHAT?! Wow, I had no idea." Remember to encourage your partner—this is a place to support them, not minimize them.

Suddenly, you've zoomed out of the day-to-day questions about checking accounts, IRAs, and how much you spend on groceries. Here you have a list of things you would love to do and can build toward over time—and if you did even half of them, it would be a great decade.

If you suddenly came into a windfall, how would you spend it to create your Rich Life?

\$1,000

\$100,000

» What do you notice about the differences in your answers? With more money, some people choose to do more of the same ("I'd eat out *four times per week*"). Others choose something entirely different ("I'd hire a chef to teach me how to really cook").

FILL IN THE BLANK

I used to think that I would never spend money on _____
 _____, but I'm starting to suspect that
 I might actually want to. I could try it out to see if I actually like it by
 _____.

What are the top things you just LOVE to spend your money on?
Check your favorites and jot down a few examples of what makes you happy.

Eating out	Relationships
Travel	Generosity
Health, fitness, and wellness	Luxury
Convenience	Status
Experiences	Self-improvement
Freedom	Other: _____

Here's something you may have never thought about: using money to "buy back time" (e.g., hiring a house cleaner or buying pre-cut vegetables). What are three ways you could buy back your time?

1 _____

2 _____

3 _____

[illegible]

- What's one tangible, material thing you WANT just because? (For example, a beautiful handbag, a carbon fiber road bike, or premium loose leaf tea.) It's fine to want something without having to justify it with a logical reason!

DREAM VACATION

Describe your dream vacation. Where would it be? Where would you stay? Who would be there with you? What memories would you create? Incorporate some of the travel notes from the previous page, but go beyond logistics—design an amazing experience.

A large grid of dotted lines for writing, spanning the width of the page and approximately 30 rows deep.

RICH LIFE CHALLENGE

Here's my challenge for you: I want you to do one of the Rich Life items below, then write yourself notes about how it felt both *before* you did it and *afterward*.

- ☐ Order appetizers with my meal.
- ☐ Buy organic groceries.
- ☐ Pay extra for guac.
- ☐ Get my clothes tailored.
- ☐ Buy an item I've been thinking about just because.
- ☐ Tip generously—at least 30 percent.
- ☐ Pay for someone's coffee.
- ☐ Arrange a spa day.
- ☐ Book a trip that I've been thinking about.

What do you notice about your answers? Pay special attention if they differ, such as, "I was nervous before I did it, but afterward, I realized that I enjoyed it—and my finances are okay!"

Before

After

DESIGN YOUR RICH LIFE CONCLUSION

Nice work! By going through this section, you've started to blueprint your Rich Life. Now the question is: *How do I get from here to there?*

It's one thing to answer a series of questions about what you want someday—it's quite another thing to make it all happen. Without a plan, those answers can seem like mere fantasies. Sure, you can look at your dream house sketch from page 12, but how will you ever get that? My goal is to show you how to go from vision to reality.

First, I want to share a phrase my parents told me while I was growing up: "A year from now, you're going to be a year older. What are you going to do?" In other words, time is going to pass by no matter what. So you might as well start taking small steps now!

Second, I want you to look back at how you described your perfect day on pages 10–11. Is there a way you can spend a modest amount to "buy" part of your perfect day? For example, if you love healthy food but hate shopping, could you pay to have your groceries delivered?

Now let's go deeper. Pick the most meaningful part of those answers—the part that instantly gets you excited—and think of a way to "taste" it within the next six months. Like this: If you wrote that on your perfect day, you'd like to wake up, go for an hour-long walk with your dog, and eat breakfast at a café, let's make it happen! Take a day off and try it. Better yet, take two days off. The first day will feel like a novelty, but the second day will tell you if you *actually* like it (or if you just liked the *idea* of it).

What if you can't take two days off from work? This is where you have to get creative. In the dog-walking example, find a way to shift your hours. If your dream is to live in the mountains—but you can't go out and buy a place right now—then rent an Airbnb and try it out. Think of it like a practice run—if you can't take a week off, shrink the trip. In the next twelve months, I'm confident you can figure it out.

Now once you've had a sample of your Rich Life, did it really make you happy? If not, that's fine! Better to learn that now and refine your vision—no reason to get discouraged. Just like painting, designing your Rich Life takes lots of strokes of the brush to get it right.

If you *do* like what you experienced, you have a beautiful preview of what you're working to create.

2

REWIRE YOUR MONEY BELIEFS

If you suddenly won \$10 million, would you know what to do with it? Would you know how to spend and save? How to change your tipping habits? How to travel differently, donate money, and navigate tricky family situations with your money?

Of course not.

One reason you wouldn't even know where to start is that you likely don't possess the technical skills to manage wealth at that level, including complex things like trusts, CDARS, and assembling the right financial team. (Don't worry: When the time is right, I can show you how.)

But there'd be something even more fundamental stopping you: your Money Beliefs. Money Beliefs describe the ways you see money; they include how you were raised, who you're surrounded with, and your "mental model" of what money can do for you. To boil it down, if I asked you what money means to you in a single sentence, what would you say? Whether you answered with words like "growth," "safety," or "never enough," *that* is your Money Belief.

Your Money Beliefs shape the way you see the world, as well. Do you think there's always more money to be made or that money is a zero-sum game? Whichever option you believe will profoundly shift your attitudes and behaviors toward money.

The tricky thing about Money Beliefs is that they're not always obvious. Some are out in the open ("I'm scared I won't have enough"). Others are more subtle ("I was taught that in order to make money, it should be difficult"). And many are completely invisible to us, because these beliefs can't be quantified and don't show up on a spreadsheet. It's like the old story about the fish that doesn't know it's swimming in water.

Our Money Beliefs are incredibly influential. If you look around at the room you're sitting in right now and at the clothes you're wearing—really, take a look!—it's likely that one of your Money Beliefs contributed to something within eyesight. Maybe it's the shirt you're wearing ("It's foolish to buy things full price"). Or the living room you're sitting in ("I bought because I don't want to pay a landlord's mortgage").

As your net worth grows, it's important to grow your Money Beliefs too. In my experience, once you understand how money really works—especially the power of compound interest—it becomes fairly straightforward to expand your net worth. As I always say, "It's not magic.

It's math." But Money Beliefs are really, really hard to change—like some of the multimillionaires I know who are *still* anxious about money.

Let's try to dive into your own Money Beliefs. To start, what are the stories about money that you've been told?

- » That buying a house is a great investment?
- » That investing is like gambling?
- » That in order to become rich, the rich had to take advantage of someone?

I call some of these beliefs "invisible scripts": They are beliefs so deeply embedded, we don't even realize they affect our opinions, attitudes, and behaviors.

One of my favorite invisible scripts is that you "must" own a house. I rented an apartment in New York City for more than ten years. Renting was an excellent financial decision for me because it gave me far more flexibility and freedom than owning. In fact, after running the numbers, I *still* rent by choice. But if you grew up hearing things like "Real estate is the best investment," the thought of questioning home ownership seems unimaginable.

The first step is to recognize that these invisible scripts exist inside all of us. And once we identify them, we can decide how and to what extent we want them to influence our point of view and decisions.

I believe that one of the rarest things on Earth is having a strong point of view about your money. You don't *have* to buy a house—you can happily rent. You don't *have* to be an entrepreneur to be rich—you could work at a stable nine-to-five job that you absolutely love. And not every purchase you make *has* to provide a positive return on investment—you can just buy something because you want it!

My dream is for you to create a conscious idea of what you want your life to look like, then use your money to live it. In this section, you're going to examine the Money Beliefs that could be holding you back—and how to overcome them and move toward your Rich Life.

WORD ASSOCIATION

What word comes to mind when you think of money? (When I answered this question with my wife, we came up with totally different responses! Her word is “security.” Mine is “growth.”)

Here’s a list of some common Money Beliefs. Check the ones you’ve heard before.

- Money doesn’t grow on trees.
- Money is the root of all evil.
- Money changes people.
- Don’t buy frivolous things like lattes.
- Getting a tax refund is a waste of money.
- More money, more problems.
- I’ll have enough money when I reach [a specific financial target].
- I can always earn more.
- Student loans are bad.
- The stock market is gambling.
- If I work harder, I’ll be rewarded.
- I’m throwing away my money on rent.
- I can’t negotiate my salary in this economy.
- Most people who start a business fail, so don’t bother.
- People like you and me don’t spend money on things like *that*.
- If you leave money to your kids, they become spoiled.

Growing up, what were the money messages you heard from your family?

» What worries you about money? For instance, are you anxious about not having enough? Are you concerned what others will think if you buy a new car? Or are you simply worried about living an “okay” life and never truly living a Rich Life?

Think About:

» “How well am I doing?”

» “Is it too late?”

» “Can I afford this?”

Use the “Five Whys” Technique to Get to the Root of Your Money Beliefs

Toyota pioneered the Five Whys Technique to improve its manufacturing system. When something went wrong, like a defect in a bumper, they’d ask “Why?” over and over to get to the real root cause, which wasn’t always obvious. We can use the same technique when you feel frustrated with money, like this:

1. “Whenever I spend money, it makes me feel bad.” Why?
 2. “Because I feel guilty about spending money. I know I should save more.” Why?
 3. “Because I don’t think I’ll have enough money to be safe.” Why?
 4. “Because, well . . . I guess I don’t know what ‘enough’ or ‘safe’ means. I never really defined it. Maybe it’s not even a number.” Why?
 5. “Because growing up, I saw my parents struggle.” Why?
- Root Cause: “There was never enough—and I never want to end up like them.”

I’ve spoken to thousands of people who believe that a certain number will make them feel safe, but when we go through this exercise, they realize that no number will change the way they feel—*because their money belief isn’t actually about the number. It’s a feeling.* Once you get to the root cause of your frustration, then you’ll have a clearer idea of how to fix it.

THE DARK SIDE OF MONEY

Think about the stingiest person in your life. How do you feel when you see the way they spend their money? Write down five words to describe their relationship with money.

1 _____

2 _____

3 _____

4 _____

5 _____

Okay, I just love stories of cheap people, so I have to stay on this topic for another moment. Write down your worst experience with a cheap person. Then email it to me (ramit.sethi@iwillteachyoutoberich.com, subject: Cheap Person Story). I'll share the best stories in my newsletter.

» Imagine that you're watching yourself on your deathbed. You're a multimillionaire, but you never spent your money on the things you wanted to and it's too late now. What would you tell yourself?

What are a few toxic Money Beliefs you used to have? If you're stuck on this, imagine finishing this sentence: "I used to believe _____ about money, but I realized I was wrong."

1 _____

2 _____

3 _____

Think about the people who judge you for your money decisions. Why do you listen to them?

“Once we
understand
our past, we
can design
our future.”

If you never had to worry about money again, what would be the first thing you'd do differently? Why?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

What do you feel guilty about spending money on? Why?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Which of the following are important to you? (Check all that apply.)

- Travel 1+ month every year.
- Earn six figures.
- Buy a house.
- Follow your passion.
- Give your kids more than you had.

» Of those you checked, do you have a concrete plan for them? If not, could it be because it's not actually all that important to you?

How Do Most People Become Wealthy?

If you believe all the “hustle” entrepreneurship pundits on social media, it's easy to believe that the only way to become wealthy is to start your own business.

Guess what? A nine-to-five job is exactly how most rich people built their wealth. I say this as someone who helps people start businesses! But I've always promised to tell you the truth.

It's become popular to stigmatize full-time jobs and suggest you can only make serious money through business ownership, picking the perfect stock, or just being born rich. But it's perfectly fine to have a great job, love it, and consistently invest.

And once you recognize the idea that “only entrepreneurs are truly successful” is a lie, what other beliefs will you start to rewire?

What is something you claim you want to do with your money, but haven't done in the last three years?

» What would it take to change that?

What are you afraid people might find out about your finances?

Think of another Money Belief you hold. What's a story about money you tell yourself today? (For example, "I'm just not good with money.") How do you think you developed that Money Belief?

» What could you rewrite that story to be? (For example, "I haven't yet learned the skill of managing my money, but now it's a priority and I know I can do it.") What might change if you internalized that story?

Think about something you happily spend money on now that you wouldn't have ten years ago. Now jot down three things that you might spend money on ten years from now, even though you don't today.

1 _____

2 _____

3 _____

Buying a House Isn't Always a Great Investment

You've probably heard common phrases like "You're throwing money away on rent!" or "Don't pay your landlord's mortgage!" But buying a house isn't always a good financial decision. Owning has extremely high "phantom costs," including closing fees, property taxes, maintenance, and interest. In many cases, you'll make much more money by renting and investing the difference. (This is exactly what I do. I rent by choice and invest, which also lets me have more flexibility and zero maintenance. I told you earlier, I really hate Home Depot.)

Of course, you should always run the numbers and decide what's best for you. And remember: Making a large financial decision isn't always solely about the math. It can be perfectly fine to make decisions for status, safety, comfort, or purely because you want to.

✓

“The best predictor
of future behavior is
current behavior. To
change your future,
take control of what
you’re doing today.”

Imagine you find out a friend just spent \$2,000 on a coat. What is your initial reaction? Why do you think you would react that way?

» What's something you judge other people for spending money on? It could be living in a certain house, hiring household help, or traveling to a certain destination. Now consider it from their perspective and ask, "What makes it worth it?" (One exception is Crocs, which nobody should ever spend money on.)

Define your nightmare financial scenario. What's the worst that can happen to you when it comes to money?

Use the "What Then?" Technique

I use this simple technique when people tell me about their greatest financial fears. I ask, "What then?" at the end of every response they give me.

Here are some examples:

"My greatest financial fear is losing my job." What then?

"Well, I wouldn't be able to pay rent." What then?

"I might have to ask my family for help, or run up some credit card debt for a while."

In most cases, people have built up a fear in their heads, often catastrophizing what might happen. To be sure, a worst-case scenario like this is serious and frightening. But when they confront the situation out loud, they often find that it's not as bad as they'd feared. Keep pushing yourself by asking, "What then?" I'm willing to bet you're strong enough to handle any situation life throws at you.

When was the last time you wished you had spent *more* on something?

Think about your parents' relationship with money.

What are the positives they
taught you?

What are the negatives that
you can change?

What five money lessons would you want to give your children?

1 _____

2 _____

3 _____

4 _____

5 _____

» Try to refine your list of five money lessons. As of right now, if your children observed you, would they find that you're modeling those lessons?

Money Lessons for My Children	How I'm Modeling This
1	
2	
3	
4	
5	

Which of these stories do you tell yourself today? Check all that apply, then write in your own.

- ☐ I'm not good at math.
- ☐ I'm not lucky with money.
- ☐ It's not so bad being in debt . . . at least I'm not as bad as others.
- ☐ I'm scared of losing money.
- ☐ Investing feels like gambling.

The Stories We Tell about Ourselves

When I was younger, I used to jokingly call myself a “skinny Indian guy.” Looking back, I wish I hadn’t used that kind of negative self-description. Yes, I was skinny, but after repeating that phrase over and over, it became a self-fulfilling prophecy. I was actually saying, “I’m skinny and there’s nothing I can do about it.” When I finally decided to change and start learning how to work out properly, it took me a lot more time because I had to not only change my knowledge of nutrition and fitness—but also my identity itself. (And identity is very, very hard to change.)

Here’s what I wish someone had told me: That’s just a story you’re telling yourself. If you want to change the story, start by changing the words you use.

So, starting today, what words could you use to encourage, not demean, yourself?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

When I think about my money, I feel _____

Going forward, I want to feel _____

To feel that way, one action I can take this week is to _____

OceanofPDF.com

REWIRE YOUR MONEY BELIEFS CONCLUSION

Rewiring your Money Beliefs is hard—really hard—because it requires you to take a fully candid look at yourself, your money attitudes, and quite often your family upbringing. It's much easier to just ignore these forces! Sometimes, we pretend they don't exist. Other times, we tell ourselves that we're rational and logical and totally in control of our own decisions—but the truth is more complicated.

Part of living a Rich Life is being honest with yourself and the people around you. And once we understand our past, we can design our future. Understanding and ultimately changing your Money Beliefs can feel freeing—like you can see the world through a totally new lens.

Take a look back at the common Money Beliefs you selected on page 31. What underlying patterns do you notice?

One you might notice is *playing defense*: always worrying about what could go wrong. My goal is for you to shift from defense to *playing offense*: planning for when things go right. Here are some personal examples I use to play offense with my finances:

1. **Abundance, not scarcity.** I know there is opportunity to make more money, whether through my job, business, or investments.
2. **Generosity.** I can afford to be generous by tipping well, donating frequently, and investing aggressively.
3. **Patience.** It's not too late. I have time to achieve my goals, time to live my Rich Life today and tomorrow, and time to have *fun* doing it.

As you analyze your Money Beliefs and begin to look at them with new perspectives—specifically your answers on page 32—it might be hard not to feel like it's “too late” to change these things.

We can't change yesterday, but we can start today. And we can acknowledge how others' expectations influence us, while simultaneously taking responsibility for our own actions. (You're doing exactly that by using this journal!) So how else can we rewire our Money Beliefs?

First, make it a priority to think about those beliefs. Too many people underemphasize money psychology and overemphasize math. In reality, you should be spending as much time studying your own Money Beliefs as you do on setting up your investment accounts.

Second, make a plan for how you'll react when you encounter specific situations within the next three months. This is important, because changing your Money Beliefs also happens at that more granular and short-term level. For instance:

- » *“Will I be able to afford that holiday trip?”* For lots of people, it would be easy to react quickly and say, “No!” But is that *really* true? Have you planned out exactly where you want your money to go?
- » *“Should I take that new job?”* If your old self approached the decision from a scarcity mentality (“I could never do that job”), what would it look like to approach the same decision from a place of abundance? (“This job would change my life. I’m going for it.”)
- » *“What do I want to eat tonight?”* In the past, you might have waited until you were too tired to think about dinner, then ordered unhealthy, expensive takeout. What if you instead prioritized giving yourself the time to plan ahead? Like this: “Good food keeps me productive and helps me feel good, so I’m going to spend an hour every Sunday planning out my meals for the week.”)

Like any new habit, it will take time to change your Money Beliefs. And once you become more comfortable using the principles in this section—changing your money stories; playing offense, not defense—you’ll naturally start to approach these financial decisions in a completely new way.

Start today and make it a four-week project. Each week, pick one answer from your list of money stories on page 48 and work on flipping the script.

MONEY STORY TO CHANGE

Week 1	
Week 2	
Week 3	
Week 4	

3

REWRITE YOUR MONEY RULES

Now that you've begun to rewire your Money Beliefs, we're going to get proactive and create your own Money Rules. This is a fun, tactical exercise. You'll boil down what's important to you into a few, easy-to-use rules. These rules will help you sort through the thousands of financial decisions you make every year. Let's first look at mine.

Ramit's 10 Money Rules

1. Always have one year of emergency funds in cash.
2. Save 10 percent, invest 20 percent of gross annual income.
3. Be able to pay in full for large expenses (wedding, dream trip, house) before spending on them.
4. Never question spending money on books, appetizers, or donating to a friend's charity fundraiser.
5. Buy business class tickets on flights longer than four hours.
6. Buy the best and keep it as long as possible.
7. Do not limit spending on health or education.
8. Earn enough to work only with people whom I respect and like.
9. Prioritize time outside the spreadsheet.
10. Marry the right person.

I share these Money Rules because you can see what I love and value. What did you sense about them? Which do you agree with and disagree with?

Here's what you should notice:

- » **These are *my* Money Rules, not yours and not anybody else's.** Your Money Rules should be a true reflection of your own beliefs and values. In fact, the more specific and unique your Money Rules are to you, the more ridiculous—even bewildering—they will seem to others. They should! (Remember: Don't worry what others will think about your rules—they're *yours*.)

- » **If you see a Money Rule you like, adapt it for your situation.** You may not be able to afford a big wedding or paying in full for a house. Is that privileged? Yes! I share my rules so you can see exactly how I think about money and what matters to me, and if you like one, feel free to adapt it. When I first started learning about finances, I wished I could find out exactly how other people spent their money.
- » **Your rules will evolve over time.** Today, you might not be able to fly business class. But if that changes in the future, you can always tweak your rules. Looking at my own list, I can tell you that it certainly didn't start off like this. In my early twenties, my Rich Life was to be able to hop in a cab on a hot NYC day—we're talking about \$10 here! That's a perfect example of a Money Rule because it was meaningful to me. Pick rules that are meaningful to you today and know that you can—and will—change them over time.
- » **Money Rules should be straightforward enough to help you make key decisions about your money.** Let's take an example: You're visiting your family and deciding whether to fly home on Saturday or Sunday, but staying an extra day will cost \$150. How do you decide? You could weigh cost, time, or any number of factors. But if one of your Money Rules is "Relationships first," then the decision is obvious: You spend the \$150 to stay an extra day. (There are lots of options for making that \$150: You can find a less-important area to cut back on, you can earn more, or you can proactively save for situations like this—or all of those!) This is the beauty of Money Rules. They allow you to cut through the many situations you'll encounter and give you clear guidelines *that you created* to make your spending simpler and more meaningful.

I love this section because you're going to create the foundation of a Rich Life that's perfectly tailored to you. There's a reason that most personal finance advice is all the same: The world wants you to be vanilla. People will always push you to look and act the same as everyone else. It's up to you to push back.

As you fill in this next series of prompts, you'll start to see how you can get your money and time aligned with what's *really* important to you. And by the end of this section, you'll have your own list of Money Rules—a personal vision statement of money. Let's do it!

Do you already use any of my Money Rules? If so, why?

» Which of my Money Rules do you totally disagree with? Why?
(I want you to critique my Money Rules as practice for you to
develop a strong point of view on *your* Money Rules.)

Let's start to create your own Money Rules. What are your non-negotiables when it comes to money? For example, "If I see a book that looks interesting, I buy it—no hesitation," or "I replace my phone every year," or, "I won't consider price when it comes to my health."



Of the following, check the category of spending that is the **MOST** important to you. Explain.

Personal
development
Food

Relationships
Health and fitness
Experiences

Generosity
Luxury
Career

Of the following, check the category of spending that is the **LEAST** important to you. Explain.

Personal
development
Food

Relationships
Health and fitness
Experiences

Generosity
Luxury
Career

USE MONEY RULES TO PLAN YOUR DREAM DAY

Let's start bringing your Money Rules to life. Pick one from page 57 and imagine you have no spending limits. How would you integrate that Money Rule into your daily calendar?

12 AM

1 AM

2 AM

3 AM

4 AM

5 AM

6 AM

7 AM

8 AM

9 AM

10 AM

11 AM

12 PM

1 PM

2 PM

3 PM

4 PM

5 PM

6 PM

7 PM

8 PM

9 PM

10 PM

11 PM

Imagine that you adopt this rule: *Buy business class tickets on flights longer than four hours.* Notice your reaction and write out your thoughts. Can you spot any Money Beliefs in your answer?

Common responses:

- » "What a waste of money. I would never do that."
- » "I would love to ... someday."
- » "I never thought about that."

Recall the last time you spent \$1,000 on something you enjoyed. Turn it into your own Money Rule. What would it look and feel like if this was something you did consistently and happily?

I'd like for one of your personal Money Rules to begin with "No spending limits on . . ." It could be as small as pre-cut vegetables at the grocery store, or something much larger. Pick something that excites you! This helps ensure that some of your rules are focused on abundance, not just mechanical financial rules—an important step in rewriting your vision of money as a positive source of opportunity, possibility, and adventure. Create the rule below, then explain how it's important in your life.

[illegible]

Try More Money Lenses

From a young age, we're taught to cut back on spending. Over time, it's no surprise that we view the world through one primary lens: cost. If we were musicians, it would be like learning one note—and one note only. What a waste.

Your "Money Lens"—the way you view the world with your money—can certainly be cost. But there are so many other Money Lenses you can use, like:

- | | | |
|---------------|-----------|--------------|
| » Convenience | » Results | » Delight |
| » Value | » Speed | » Experience |
| » Security | » Status | » Desire |

Let me show you a couple of examples. Let's say you're landing at the airport after a long trip. If your Money Lens is "cost," you might take the bus home. It might take ninety minutes and two transfers, but it's cheap. If your Money Lens is "convenience," you might take a taxi. If it's "delight," you might hire a premium car service.

Or let's say you begin a fitness journey. If your Money Lens is "cost," there's lots of very good free material on YouTube. But if you were to prioritize "speed," you might get a gym membership. And if you prioritize "results," you might hire a personal trainer.

You choose.

Remember, these can and should change over time. As my financial situation improved and I became more confident about what I valued, I replaced my old way of looking at certain areas of life with new Money Lenses.

	OLD LENS	NEW LENS
Personal finance	Frugality	Automation, earning, Rich Life
Food	Taste, quantity	Fuel, fitness
Travel	Cost, value	Experience, delight, security

Which one of these Money Lenses has driven your spending decisions in the past? Check at least one, and list a few examples.

Convenience

Results

Delight

Cost

Speed

Experience

Security

Status

Luxury

Which one of these Money Lenses would you *like* to drive your spending decisions from now on? Check at least one, and list a few examples.

Convenience

Results

Delight

Cost

Speed

Experience

Security

Status

Luxury

Describe the last time you spent money on something and didn't worry about the cost.

Where are you most conservative with your money? Why?

FILL IN THE BLANK

_____ is something I don't care about spending on today, but I could see that changing sometime in the future.

POINT/COUNTERPOINT

_____ is a waste of money because

But it could also be a great use of money because _____

Simple Money Rules: Buying a House

As you know, buying a home isn't the only way to build long-term wealth. But it remains a major goal for millions of people. Here is a list of simple money rules when you are thinking about buying:

1. 20 percent down.
2. Plan to live there for ten or more years.
3. Total housing expense should be less than 28 percent of gross pay.
4. Run the numbers versus renting or investing.
5. Ask yourself: Am I excited to buy?

How can you be more generous today?

Examples

- » Buy a round of drinks for friends.
- » Take your family out for a special dinner.
- » Donate \$100 to a cause you believe in.

Who do you love spending time and money with?

FILL IN THE BLANK

I can stop worrying about money when _____

Tips for Writing Your Own Money Rules

Your Money Rules are a distillation of all your thinking about money—what you value, what you don't, and how you want to live your life. As you're confronted with thousands of money decisions every day and over the course of your life, your Rules will make it easy to decide what to do.

As you create your own ten Money Rules, keep in mind that these are *your* rules—nobody else's. They should fit you like a handmade glove. Don't apologize for any weird ones. Embrace them!

And remember: Your rules don't have to be perfect. You can change them anytime.

To start creating your Money Rules, ask yourself these five questions:

1. What do I love spending money on?
2. If I quadrupled my spending, what would it look like and feel like?
3. What are things I simply don't care about?
4. What basic rules are important for me on a day-to-day basis?
5. Where can I use money to improve my life?

As you ponder the answers to these questions, there's a good chance you'll start to realize that you already know what your Money Rules are. Perhaps you've just never written them down.

CREATE YOUR OWN MONEY RULES

Now you're ready to take a first stab at listing your own ten Money Rules. What are they?

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

MONEY RULES CONCLUSION

The first time you write your Money Rules, it's really hard—how are you supposed to limit your rules to just ten?! Inevitably, most people's first draft almost always looks something like this:

"Economy seats on a plane!"

"Only order water when I eat out!"

"Don't buy a new phone! Hold on to the old one!"

Do you notice how all these rules are focused on what *not* to do with money? The psychology here is fascinating: Most people don't realize that their fundamental Money Lens is one of restriction. Even when creating *their* own Money Rules, they limit themselves!

Don't do this. Those types of rules are bound to fail—because they're depressing, boring, and inhibiting. I'm looking at those rules right now and I hate them! Money Rules should be permissive, freeing, and exciting. They should inspire, not restrict you.

For example, my rules let me donate to a friend's charity without ever questioning it. I'm inspired . . . by my own rule! (Hold on, let me stop writing for a second. I need to pat myself on the back.)

This is the kind of confidence I want for you. I want you to have thought so deeply about your money attitudes and behaviors that you create a cohesive, thoughtful set of Money Rules to help guide your life—and I want you to *love* them.

Now to be able to spend extravagantly on the things we love, we have to make sure that our rules include some discipline. For example, my first rule is "Save 10 percent, invest 20 percent of gross annual income," which reminds me that long-term discipline matters.

Here's a strategy to help you do it: Plot your rules in the Money Rules Grid. I'll show you some of mine.

	SHORT TERM	LONG TERM
Accumulation	<i>Save 10% of gross income</i>	<i>Invest 20%</i>
Spending	<i>No limit on spending for health or education</i> <i>Never question spending on books, appetizers, health, or friends' fundraisers</i>	<i>Be able to pay in full for large expenses</i> <i>Buy the best and keep it as long as possible</i>

Note a few things:

- » I have more rules in the spending category than the accumulation category. If I had used this grid in my early twenties, there would have been more rules in the accumulation row. Over time, your rules will gradually change to match your relationship with your money.
- » Each box should have at least one rule. This helps you avoid the common tendency to wait until “someday” to focus on an area (which is usually spending).
- » Not all of my rules fit. Where would I put “Marry the right person” on this grid? I have no idea! This is intended to be a loose framework, and it can get a little messy in some cases.

Let’s start with your Money Rules today—then we’ll examine them many years down the road. Add your current rules below.

MONEY RULES GRID: TODAY

	SHORT TERM	LONG TERM
Accumulation		
Spending		

Now evaluate it. Which quadrant is most important to you? That’s where your Rules should be concentrated. For example, if you’re just starting out, you’ll want to focus on creating four or five rules in the short-term accumulation box. As you become more financially successful, you can shift more rules to the long-term accumulation box and the spending side.

Now let's fast-forward five, ten, and twenty years. What do you think will change? Go ahead—add a few different rules to the grid below.

MONEY RULES GRID: 5 YEARS FROM NOW

	SHORT TERM	LONG TERM
Accumulation		
Spending		

MONEY RULES GRID: 10 YEARS FROM NOW

	SHORT TERM	LONG TERM
Accumulation		
Spending		

MONEY RULES GRID: 20 YEARS FROM NOW

	SHORT TERM	LONG TERM
Accumulation		
Spending		

This is beautiful. You should see clear differences among these boxes. As you become more financially confident and successful, *of course* your Rules will change. They should.

Here's how you know your Money Rules are on the right track:

1. The rules are instantly recognizable as *your* rules. If you showed them to someone, they'd be able to sense it was your list. (For example, my rule about "appetizers" is uniquely mine.)
2. You can look at your rules and apply them to something you've spent money on in the last six months. The more applicable these rules are, the more valuable they are.
3. When you look at your rules, you should feel excited, not restricted.

These three grids represent your path for the future. As time goes on, you'll be able to look back and reflect on what you *thought* your Money Rules would be—and what they have actually become.

4

ASK \$30,000
QUESTIONS,
NOT \$3
QUESTIONS

I had a conversation on Instagram that I'll never forget. One of my readers saw my post about how much invisible fees can cost you. She DM'd me, worried she was getting ripped off by paying her financial adviser's fees. I asked her how much she might expect to pay over the course of her lifetime. Her guess: around \$30,000. I showed her the real numbers: around \$315,000.

Did you catch that? She was actually paying more than *ten times* what she'd thought!

I then asked her if she could imagine spending the next thirty years feeling guilty about tiny expenses like coffee and dessert, while never realizing that none of those would add up to anything even close to that \$315,000 figure.

She couldn't believe it.

What a tragedy to turn fifty, sixty, or seventy, look back on your life, and realize you spent it obsessing over \$3 questions. You won the game that people told you to play, but you ignored what actually mattered.

Most of us spend our time asking \$3 questions when we should really be asking \$30,000 questions. Here are a few more of my favorite examples:

- » We agonize about buying a second phone charger, but then happily sign a thirty-year mortgage loan without running the numbers on whether or not we should even buy. (Hint: My decision to rent has made me more money than buying.)
- » We spend hours trying to decide whether to stay at a certain hotel on vacation, or if we can afford to splurge on a specific car, but never negotiate our salary.
- » And we write frantic emails to a certain personal finance guy, asking (in all caps), "ALLY BANK JUST DROPPED THE INTEREST RATE ON MY SAVINGS ACCOUNT BY 0.025 PERCENT! SHOULD I SWITCH?!"—but never realize that this equals less than \$2 per month. (I'm a little sensitive about that one after getting twenty emails per day for the last decade about interest rates.)

There is a different way! Get a few key decisions in life right—what I call “Big Wins”—and you can create a Rich Life that’s custom made for just you. Travel more, be more generous, and spend extravagantly on the things you love—whatever you want.

If you shift your focus to getting just a few \$30,000 questions right, you can buy all the lattes and appetizers you want. Here are the areas that *actually* matter:

- » Starting to invest early
- » Investing consistently and automatically
- » Minimizing investment fees
- » Creating the right asset allocation
- » Negotiating your salary
- » Finding housing you can afford
- » Creating a debt-payoff plan
- » Improving your money psychology
- » Designing a vision of your Rich Life and using your time and money to live it

Focus your energy on those areas and you’ll never have to worry about \$3 questions again.

In this section, we’re going to tackle the subtle ways that we unconsciously fixate on tiny questions. Then we’re going to dig deep into my concept of Big Wins and tackle the big questions.

What's a \$3 question you can stop worrying about from now on?

Examples:

- » Does this dessert cost too much?
- » Should I put off buying this book?
- » Should I feel FOMO over this past financial decision?

List some \$3 questions you've asked in the last week.

EXAMPLE *Does this lunch cost too much?*

1

2

3

Now try turning them into \$30,000 questions.

EXAMPLE *How can I automatically save and invest so I never worry about the price of food again?*

1

2

3

Imagine what a \$5,000 raise or one-time bonus could mean for your life. Invested and compounded after forty years, that's hundreds of thousands of dollars. What are three things you could do today to figure out how to get that raise?

1 _____

2 _____

3 _____

Don't Waste Your Time on \$3 Questions!

Where most people try
to save money:

- » \$3 coffee
- » Driving farther for cheaper gas
- » Spending hours cutting coupons

Areas that actually matter:

- » Investment fees
- » Asset allocation
- » Negotiating salary
- » Mortgage interest
- » Student loan interest

REFRAME

Think of a time when you've told yourself, "I can't do

because _____

_____”

Now flip the script: "I *can* do this because _____

_____”

FILL IN THE BLANK

I will stop worrying about _____

and start focusing on _____

Introducing “Big Wins”

Big Wins are key areas of life that produce disproportionate results. If you get five to ten Big Wins in life right, you will never have to worry about tiny decisions like buying a \$5 latte, splurging on an appetizer, or even whether to stay an extra day on vacation.

Here are some of the most important categories that produce Big Wins:

1. Personal finances
2. Job
3. Important relationships
4. Health
5. Leisure

Are there other categories? Of course. It's entirely up to you to decide which are the most important ones in your own life. Here's the guideline I use to choose: If I were totally “dialed in” and these five areas of my life were running smoothly, would I be living a Rich Life?

Within each category, there are a few key decisions that can produce a lifetime of results. The magic is in identifying those decisions. So let me show you the next step. Take the “personal finances” category, for example. If you had to guess which key decisions would get you about 85 percent of the financial rewards, what would they be?

In my opinion, here are the Big Wins in personal finances:

- » **Automating your finances.** If you set up automation so your money is flowing to savings, investments, and guilt-free spending, you are ahead of 95 percent of people. To start, target saving/investing 10–20 percent of gross income. This single decision will likely be worth millions of dollars to you.

- » **Starting to invest early.** When you look at investment returns, one of the biggest drivers is your start time. The difference between beginning at twenty and thirty years old can be millions of dollars. If you didn't start until now though, just remember: The best time was twenty years ago, but the second-best time is today.
- » **Choosing long-term, low-cost investments.** Forget the usual hype you see on TV, with people frenetically running around the stock exchange. Real investing is simple and boring. It typically involves index funds with very low fees. And they're well diversified and properly allocated. This decision alone is worth more than all the lattes you will buy in your entire lifetime—*combined*.
- » **Earning money on the side.** There's a limit to how much you can cut, but no limit to how much you can earn. This is why I encourage you to focus on opening additional income streams based on the skills you already possess.
- » **Building the skill of spending.** Yes, spending your money meaningfully is a skill, and ultimately one of the most important you'll ever learn. Have you built a system to ensure you're using money to create your Rich Life? Otherwise, why are we all working so hard and saving and investing?

If you look at each of those Big Wins within personal finances, you'll see that they are huge opportunities. Each one takes work to set up. But once you build it, it produces rewards for years and years to come. Once you decide on the most important areas in your life, you can "drill down" to focus on the key actions that will get you the biggest results.

This is a very different way to look at your life. It takes some time to establish. But it allows you to focus on what's really important rather than what's merely urgent. Spending time identifying my Big Wins has given me a sense of clarity, purpose, and calm. I believe your Big Wins can do the same for you.

[illegible]

Looking back on the past decade, what were the three biggest things that contributed to your finances today? (Mine were creating a business, increasing my earnings, and setting up automatic investing.)

1 _____

2 _____

3 _____

What's one thing you're doing this week that will pay off in ten years?

Examples:

- » I went to the gym today and know that I will have a strong body for years to come.
- » I called my friend and we talked for twenty minutes. I know this relationship will continue to be important ten years from now.
- » I set up my accounts to automatically invest \$500 every month. In ten years, it will grow substantially.

Let's start to identify more of your Big Wins. Write down at least five important categories in your life that you might place them under.

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

7 _____

8 _____

My Five Categories for Big Wins

Once again, here are the categories in my life where, if everything were running smoothly, I would be living a Rich Life. Feel free to replace or edit these, but limit your categories to five so you can remain focused.

1. Personal finances
2. Job
3. Important relationships
4. Health
5. Leisure

Pick five of the categories you just wrote down and brainstorm three key Big Wins within each one.

Category: _____		
1		
2		
3		
Category: _____		
1		
2		
3		
Category: _____		
1		
2		
3		
Category: _____		
1		
2		
3		
Category: _____		
1		
2		
3		



KNOW YOUR NUMBERS

Go online and search for “compound interest calculator.” Plug in your information and see how much you’ll have at retirement. How does this change your perspective on money?

I recently spoke to one of my students, a 30-year-old who wondered if he was going to be financially okay. He guessed he’d have around \$400,000 at retirement. I ran his numbers using a compound interest calculator and found that he’d actually have over \$1.5 million. This instantly changed his perspective on life. He realized he was focusing on \$3 questions even though he was already on track to be a millionaire.

[illegible][illegible]

- » They've taken small bets over time and built up competence and confidence.
- » They have a financial reserve so if something goes wrong, they'll be okay.
- » They have supportive relationships in their life and regularly stay in touch.

Rank this list of Big Wins below from most important to least important to you.

Investing early and automatically

Finding a great job and getting paid well

Maintaining important relationships

Getting thirty minutes of physical activity every day

Spending at least two hours per week on a hobby

» Choose one and write down three ways you could use it to guide your life today.

1 _____

2 _____

3 _____

ASK \$30,000 QUESTIONS, NOT \$3 QUESTIONS CONCLUSION

It can feel comforting to focus on the \$3 questions we've always thought about. "Can I afford this shirt?" "I really shouldn't go to brunch—should I stay home?" "Should I cut back on streaming subscriptions?"

These questions are familiar. They give us a feeling of control. But are they really the questions you *should* be asking? Looking back twenty years from now, will answering them make any real difference in your life?

I think those sorts of \$3 questions are mere specks on the mosaic of your Rich Life.

It's my job to push you to live not just a "fine" or "nice" life, but a rich one. I consider it a tragedy to live a smaller life than you have to. That's why I'm so insistent on this topic: As you become more experienced and successful, you must think bigger, which includes asking the *right* questions, not just the short-term ones directly in front of us.

As you look back at this section, compare your answers today to what you might have written ten years ago. Take the answers on page 85. There should be a huge difference! It means you're already thinking bigger. And the answers you jotted down on that same page that are *really* big—like the thing you're doing today that will pay off in a decade—illustrate an important shift. You're focusing on the questions that will make a meaningful difference in your life.

Maybe they involve your health, where you live, or how you want to spend your money to travel for four months every year. These are big questions. And yes, these will take time to accomplish. They should! Asking \$30,000 questions means setting fewer but more important goals—and giving yourself the time and attention to truly develop them.

As you reflect on a bigger Rich Life, consider this: What would it feel like to have a clear blueprint for the important things in your life so you could expend your energy there? Not \$3 questions, like worrying about buying the right brand of paper towels, but rather a few areas that truly make you happy.

To get this level of clarity, continue to define your \$30,000 questions, then commit to focusing on those. Remember, you're the CEO of your life. You decide what your Rich Life is and how to get there.

5

BUY YOUR HAPPINESS

Do any of these sayings sound familiar to you? “Money can’t buy happiness.” “Money is the root of all evil.” “More money, more problems.”

In America, we’ve been raised to believe that money indeed can’t buy happiness. That doesn’t stop us from trying, though, as we spend on all kinds of questionable health remedies, get-rich-quick scams, and pointless fads. What’s even funnier is how we show our ambivalence toward money. For example, have you ever noticed that Americans love rich people who pretend to have no money? Take Warren Buffett: “Oh wow, you live in a modest house from 1969! That’s so relatable!” (Let’s ignore your private jet.) Or Bill Gates: “You wear Dockers, just like my dad!” (Let’s ignore your 66,000-square-foot mansion.)

We even create an identity around how we *don’t* spend money: We proudly tell people that even if we had millions of dollars, we would never spend on certain clothes or fancy restaurants. (Think of that! An identity of what we *wouldn’t* do instead of an identity around what we *want* to do.)

But I believe money can be an amazing force for good. It can help you buy back your time, experience new things, and be more generous with the people around you.

It can also make you happier.

Surprisingly, this is a radical concept: the idea that instead of focusing on restriction and cutting back, you should start with using money to create your Rich Life.

When you accurately identify what you love spending money on, it becomes easy to cut back mercilessly on the things you don’t love (because you have a clearer reason to).

Let me show you how this looks in my life. Growing up, we never ordered appetizers. So one of my first Rich Life moments was deciding that if I saw an appetizer I wanted, I would order it. Later, I decided that if I was going to a meeting on a hot, sweaty summer day in NYC, I would take a taxi, not the subway.

I call these spending habits Money Dials, or the areas of life you *love* to spend money on. Notice that I’m not talking about how to save \$0.34 per month by disabling your oven light. And I’m not showing you some complicated math formula to understand compounding. Remember, in personal finance, we overvalue math and undervalue psychology.

The most common Money Dials, in order, are: eating out, travel, and health and fitness. Like a dial, you can turn your spending way up on the things that are important to you. And when you identify your own Money Dials, suddenly it becomes very easy to decide what you don't care about spending money on.

Here are some example of how you can “turn up” a Money Dial:

- » **Eating out.** If you turned the dial up, you might eat out more frequently, dine at higher-caliber restaurants, or take friends and family with you. If you really turned it way up, like one couple I know, you would seek out the world's best restaurants, and when you secured a rare reservation at a renowned place like Noma, you'd plan an entire vacation around it.
- » **Travel.** Turning this dial up could mean traveling for longer, flying business class, or staying at specific hotels. Turning this dial way up could mean crafting a personalized experience that's meaningful to you. For example, I love design, so when I visited Kyoto, Japan, I visited the home of two local architects, who showed me their designs and answered my questions about Japanese architecture.
- » **Health and fitness.** This could mean buying organic food or buying premium workout gear. If you turned the dial way up, you might have a personal trainer, nutritionist, and go to a yoga retreat twice a year.

The point of Money Dials is to understand—and admit!—what you truly love spending money on. And then . . . spend extravagantly on it. As a natural by-product, it will become less challenging to reduce spending on areas that don't align with your Money Dials.

Remember: You decide how much you want to turn the dial and buy your happiness. If the word “extravagant” makes you nervous, start by spending just a little more on an area that's important to you and gauge the results. The point here is not necessarily the amount. It's to start with the things you love and then think bigger.

So take a look at your own spending. Here's what I always ask people: What do you love to spend on? And what would it look like if you quadrupled that spending?

What's one thing you really want to buy but would never admit to?
What has made you reluctant?

If you could spend \$100 a few times a year to create an amazing
memory, what would you do?

Examples

- » Send an extra-special flower arrangement to your friend on their birthday.
- » Handle all the planning for your parents' anniversary.

Think back to a time when you were truly happy. What was the role of money in that moment? Where were you? What were you doing?

» Ten years ago, what did you think would make you happy?
Was it true?

What makes you happy today? Write down anything that comes to mind.

» How could money make that even more meaningful and rewarding?

Examples

- » Food delivery: I could order whatever I want twice a week without worrying about extra costs.
- » Spin classes: I could take class five times per week, making me feel good and energetic for productive days ahead.
- » New car: I could buy a car I love so I feel joy every time I see it and drive it around.

How Money Dials Help You Change Your Spending

Let's look a little deeper at this notion of cutting costs mercilessly on the things you *don't* love.

Let's say you go through this section and realize that your Money Dial is health and fitness. So you decide to turn up your Dial and attend a five-day yoga retreat that you've had your eye on for years. The retreat costs \$2,000, plus airfare, and you calculate that it will take you saving \$200/month for twelve months. Great! You have a plan and can put it into action.

Now imagine it's a month later. One night after work, you're hungry and tired. Normally, you'd pick up your phone and order takeout. But just as you reach over, you see the picture of the beautiful outdoor yoga center on your phone screen. You realize, "What am I doing? I'm less than a year away from my dream retreat, and I can make my own cheap (and healthy) dinner tonight."

This is just a simple example of how Money Dials work—cut costs on what doesn't matter to you (expensive food) and increase spending on what you love (health and fitness). Now you can see why I insist on hearing your vivid, detailed descriptions of your own Money Dial—and why I force you to dream big. Because nobody is motivated by a small dream. But when we include the details of what our Rich Life looks like, we fall in love with our vision—and it becomes much, much easier to cut back mercilessly on the things you don't truly care about.

[illegible][illegible]

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Let's return to buying back your time, which you first thought about on page 23. Check any of the following options you'd like to try this year:

- ☐ Hiring someone to shop for your groceries
- ☐ Setting up automatic delivery of toothpaste, detergent, etc.
- ☐ Using a travel agent to plan your next trip
- ☐ Buying higher-quality products that last longer
- ☐ Using an at-home pet groomer or sitter

What else could you add to the list?

A Secret Invitation for You

If you've read this far, send me an email (ramit.sethi@iwillteachyoutoberich.com, subject: Journal Page 100) and tell me the biggest surprise you've had up to this point. I want to hear from you! And I'll feature some of the best stories in my email newsletter and social channels.

SPOT YOUR LIMITING BELIEFS

Looking at the areas you selected to buy back your time, how does it *feel* to imagine spending real money to do so? This is your chance to identify any potentially limiting beliefs lurking beneath the surface. (For example, if you chose *Hiring someone to shop for your groceries*, do you hear a voice inside your mind saying, “Yeah . . . but I could do that myself”?) Nip these limiting beliefs in the bud. (Instead, try: “Yes, I *could* do it myself, but I choose to save time, not money.”)

What I Could Do
to Buy Back My Time

How Would
That Feel?

HOW MUCH WOULD YOU PAY?

Think about important things that you can't typically buy with money.

How much would you pay for them? *Be specific with your amounts!*

Good night's sleep	
Peace of mind, knowing you'll never run out of money	
Feeling good and healthy day-to-day	

More Examples of Money Dials

- » **Convenience.** This is my personal Money Dial! At the simplest level, think getting your nails done, a dog walker, or grocery delivery. If you turn the dial higher, it might mean a house cleaner or having packages picked up and shipped for you. At higher levels, it could mean a weekly cleaning service, personal trainer, or even a personal assistant.
- » **Freedom.** This Money Dial means you have the freedom to do what you want, when you want. For instance, it could mean working remotely. At higher levels, it could mean taking a spontaneous international trip and bringing a nanny with you.
- » **Experiences.** This is a fun one. Think skydiving, VIP passes to Disneyland, or hiring a guide to take you on a food tour in another country. At higher levels, you might work with a luxury travel adviser who can help you arrange experiences for your next trip or anniversary.
- » **Relationships.** This Money Dial means prioritizing spending on your loved ones. This could look like hiring a babysitter for the kids so you can carve out time for a monthly or weekly date night, or happily contributing to your nieces' and nephews' college funds. At higher levels, this could mean arranging an annual trip for your entire family.

If you could spend \$50 on something you'd enjoy every day, what would you spend it on?

Examples:

- » Buying a beautiful coffee mug that you can use every morning
- » Buying an extra laptop charger for your bedroom
- » Getting a nicer trash can so you don't have to bend over to open it

Take a look around at each room in your house to give you more ideas.

THE \$50 SPENDING CHALLENGE

Take \$50, if you can spare it, and spend it on a meaningful gift for someone you love this week. Then write about how it went and how it felt to see their reaction.

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Even More Examples of Money Dials

- » **Self-improvement.** This could mean books and courses. At higher levels, it can mean hiring a coach, trainer, or tutor. I'm a big fan of this Money Dial.
- » **Generosity.** Imagine the simple act of buying a round of drinks for friends or donating to a charity. At higher levels, this involves serious philanthropy.
- » **Luxury.** It could be a beautiful cashmere coat, high-end cosmetics, or staying at a five-star hotel. This is another one of my personal Money Dials. It's often dismissed as frivolous, but I want to normalize this as great. In fact, I believe everyone deserves an awe-inspiring experience of luxury at least once a year.
- » **Social status.** This is the least popular Money Dial (almost nobody will admit to it). hilariously, we might deny high status even while using an iPhone, eating at sweetgreen, and driving a Tesla. This could mean living in a certain desirable neighborhood, driving a certain desirable car, or sending your children to a certain desirable school. There's nothing wrong with wanting social status—it's a normal human need!

I have a friend who buys fresh flowers *every week* because seeing them around her house brings her great joy. What could you buy every week to make you happy?

Describe your perfect weekend.

SATURDAY	SUNDAY
Morning	Morning
Afternoon	Afternoon
Night	Night

» Now describe one thing you could do today to make that perfect weekend possible.

Psychological Reframes to Realign Your Spending

Recently, I was speaking to a couple on my podcast. Before we started recording, I asked how they were feeling. The wife said, “Nervous, because I’m afraid you’re going to tell me I have to spend less!”

This is the usual view we have of “doing better with our money.” We instinctively believe we’re going to have to cut back, restrict, and stop enjoying the things we love. But I wasn’t going to tell her to stop spending on those things. What would it accomplish, anyway? Her money is hers, and someone telling her to stop spending on something she loves would fail.

There are much more effective strategies for helping you change your spending patterns:

1. Think of “realigning” your spending, not merely cutting back. There’s a psychological phenomenon called “reactance,” which refers to the negative response to rules that threaten our freedom. If you interpret changing your spending as curtailing your freedom to spend on anything you want, you will forever be fighting an invisible, internal battle against change. Reframe: “If I really want to spend money on this, I can. I’m just going to be conscious and intentional about my spending and decide ahead of time.” Think of it as an opportunity, not a restriction, and you will be much more likely to follow through.

2. Spend more on the things you love. This means spending less on the things you merely *like*. My wife and I, for instance, decided that we wanted to eat more memorable meals. To do that, we’re willing to forgo meals that are just “okay.” In practice, this means we’ll eat at a truly exceptional restaurant every few months, but we’ll skip the average weekly restaurant.

Changing the way you spend your money shouldn’t feel like you’re fighting a battle. When you clarify your Rich Life and you use these psychological reframes, it will finally feel like your money has a purpose.

[illegible]

A friend once told me, "You're only going to host about a hundred events over the rest of your life. Make them special." How could you make your next dinner out, birthday, or anniversary special?

What are the milestones
you will soon reach?

How could you make them even
more meaningful and memorable?

MAGIC WAND CHALLENGE

Look around your home right now. What would you add, subtract, increase, or decrease?

Examples:

- » Build a bigger backyard
- » Replace the broken coffee table
- » Donate the books on your shelf

Add

Subtract

Increase

Decrease

CUTTING BACK EFFECTIVELY

Now that you've begun to identify your Money Dials and visualized how you could spend *more* on the things you love, let's focus on cutting costs on the things you *don't* care about or enjoy doing. Identify three areas where you currently spend money but aren't a core part of your Rich Life. (The most common answer is eating out.)

- 1 _____

- 2 _____

- 3 _____

» Why do you think you spend on those areas if they're not truly important to you? (If you're stuck on this question, it helps to treat your spending as a scientist would: Write a quick, factual answer, removing any judgment. Try to be as clinical as possible, like this: "I forget to plan ahead and by the time I finish work, I'm tired, so I order takeout.")

If you were able to confidently realign your spending to fit your Rich Life by saying *yes* to the things you love, and *no* to the things you don't, what changes would you create in your life?

» What would it feel like? What kind of person would you become?

Slow and Steady Changes Win the Race

A common mistake in cutting back is to aim for going from \$500 to \$0, a surefire recipe for disaster. My rule of thumb: I focus on two areas at a time—max—and I usually target cutting 50 percent over a very gradual six months.

For example, let's say you spend \$300 per month on clothes. It's tempting to get motivated and say, "That's it! I'm done! No more clothing purchases." But I usually find that people who make dramatic cuts fail.

Instead, here's the approach I would take:

- » First, I'd elaborate on my Rich Life. What's my vision? What are the specific, beautiful details of why I'm making changes? What would I do *instead* of spending \$300 on clothes each month? I'd write these details down and even hang up a notecard on my computer monitor.
- » Next, I'd probe my own thoughts about clothes. Do I *love* them? Or just *like* them? Can I purchase clothes and still honor my desire to wear something nice, but now balance it with a bigger vision of my Rich Life?
- » Finally, I'd set a gradual goal. Starting with that \$300 average, I'd cut by 10 percent each month: \$270, \$240, \$210 . . . until I reached my target goal of, say, \$150 per month. (Quick note: Remember to redirect the money you've saved into an area that matters to you, whether it's another spending area or saving and investment.)

Slow and steady works for the long term—especially when you combine it with your psychological reframes and a crisp vision of your Rich Life.

IDENTIFY WHAT'S NOT IMPORTANT TO YOU

Decide how much you want to cut back on areas that just aren't meaningful. (For example, if you spend \$100 every month at restaurants and eating out is just not that important to you, how much do you want to spend instead?)

Area to Cut Back	Current Spending	Target Spending

What's something you feel obligated to do, but don't really want to?
(For example, doing laundry every day, buying groceries every week,
or spending your weekends mowing the lawn.)

» The next time you encounter this, what are three ways you could respond differently?

1

2

3

“In personal
finance, we
overvalue
math and
undervalue
psychology.”

FAILURE EXPECTATION

Let's practice "failure expectation." Whenever you're trying something new, anticipate the ways in which you might fail. Plan for it! (For example, if you want to spend less on drinks out, think about peer pressure: Who will say something like, "Come on, live a little?") Write down all the specific forces you could encounter, including people and situations that might cause you to doubt yourself or slip up.

» _____

» _____

» _____

» _____

» _____

» _____

Now it's time to refine your own list of Money Dials. How would you turn up the dial on each?

1

2

3

4

5

BUY YOUR HAPPINESS CONCLUSION

Most of us grew up being “warned” about money. More specifically, we were:

- » Warned not to overspend
- » Warned to take a safe job
- » Warned about the evil temptations of money
- » Warned about credit cards
- » Warned to save, save, save

You can see why it’s so easy for our parents, teachers, and so much of culture itself to caution us that money won’t buy happiness. There’s just one problem: It isn’t true!

Perhaps you heard about that old 2010 study by Daniel Kahneman and Angus Deaton stating that money makes us happy only up to an annual income of \$75,000 and then levels off. Well, research from a newer study shows that as your income grows, so does your happiness—and with no plateau.

That second study’s author, Wharton’s Matthew Killingsworth, pointed out why money drives happiness: “When you have more money, you have more choices about how to live your life. . . . Across decisions big and small, having more money gives a person more choices and a greater sense of autonomy.”

There are lots of scary implications for the usual gatekeepers who told you that money doesn’t make you happy—and even for ourselves! Are the rich happier than the poor? Is chasing money endlessly the only way for us to find happiness? What even *is* happiness, anyway? And, perhaps most hauntingly, is the real reason I’m not happy that I don’t have enough money?

Here’s what I’ve found: Money is an important part of a Rich Life, but just one piece of it. The blind accumulation of money will not make you

happy. After a certain point, an extra \$10,000 will make no difference to your life. (My podcast is full of conversations with couples who have saved and saved and rarely thought about how to *spend* their money.)

As you work and save and invest, what really matters is creating a vision of a Rich Life that excites and inspires you. Suddenly, your money has a *purpose*. It goes from numbers on a screen to free time with your children, an inspiring hotel where you can relax with your spouse, or even a beautiful outfit that makes you feel great.

Yes, money can indeed buy happiness.

It's all about the journey of creating a Rich Life that fits you like a glove. Sure, occasionally that might mean eating at a beautiful restaurant or sitting on the beach being served cocktails—but the real joy is in creating your own vision and living it.

Now you can see why I've spent so much time encouraging you to get crystal clear about your Money Dials. This journey of crafting your Rich Life is *actually more joyful than the destination itself*. The big insight is to start with what you love and to visualize what it would look and feel like to spend even more on those things that matter to you.

For the final exercise in this section, I'd like you to try something I call the "\$100 Challenge." It goes like this: Within the next forty-eight hours, spend \$100 on just yourself—nobody else. (Note: If you have a high income, adjust the number to \$500 or another meaningful number. If \$100 is a burden, spend what you can.) What did you spend it on and how did it make you feel?

6

NAVIGATE MONEY AND RELATIONSHIPS

I love reading advice columns about money problems in relationships. According to some of these columnists, you should come to your first date equipped with your entire credit report, a breakdown of thirty-seven categories of your spending, plus a printout of your investment portfolio and your twenty-year goals.

Have these people ever actually been on a date?

Get real. Nobody talks about money that early on (which is fine). But so many of us don't know how to talk about money at *any* point in our relationship—much less when tempers flare.

The idea of sitting down proactively for a frank money discussion is so foreign to us that we simply ignore the (correct) advice to do so. Here's the most common sentiment: "Uh, okay, so I'm supposed to have these painful conversations about money—a topic I'm not even confident about—that I know will make us uncomfortable and probably cause a huge fight. Eh . . . I'll just ignore this and deal with it later."

Just like flossing, it's easier to ignore it until you end up with a real problem. I get it! By the way, I'm guilty of this too. When I was dating my now-wife, I had already heard all the advice to discuss your finances with your partner. Guess what: I ignored it! I didn't talk about money until she eventually brought it up first.

There is a better way. You can be honest and realistic with money conversations, but the most important thing is starting with your Rich Life—not judgment. It's magical when you realize you're rowing in the same direction: You can dream bigger, begin to live your Rich Life faster, and have more fun doing it together.

Now I absolutely love talking about money and relationships. When I get the chance to speak to a couple about their money psychology, I can see their entire relationship trajectory change in a single conversation. Money usually has such a negative power in relationships, but with a few small changes, it can be incredibly constructive and connective. You don't have to agree on everything, but the simple process of carving out time to talk about money proactively—*before* there's a crisis—sets a powerfully positive precedent.

When you think about money with your loved ones—your partner, your parents, your friends—what are the first words that come to mind? Here are some common phrases I hear:

- » “We can’t get on the same page.”
- » “I’m too embarrassed.”
- » “We fight about money all the time.”
- » “I’m ashamed I can’t provide what my partner wants.”
- » “It’s the elephant in the room.”
- » “We ignore it until something blows up.”

Imagine a life where it’s not tense when you bring up money—it’s as normal as discussing whether or not to buy bananas from the grocery store this week.

Imagine a life where you’d feel comfortable saying, “No, that’s not in my financial plan” if someone asked you to do something you couldn’t afford or wasn’t important to you. No shame, no guilt. Just a calm reply, then move on.

And imagine a life where you could use money to *dream* with your loved ones. So you could ask, “Where should we travel this year? Can we upgrade our seats so you’re more comfortable? Who do we want to invite to join us?” In this life, you could use money to be thoughtful, adventurous, and generous.

This life exists. Let me show you how to get there.

Think of the five people with whom you spend the most time. How do they think about or act with money?

Person	Money Thoughts/Actions
1	
2	
3	
4	
5	

» What are the common themes among them?

It's Normal to Talk about Money

I recently spoke to a couple who constantly argue over their finances. I asked them, "When do you just *talk* about money?" They both looked at each other and laughed.

"We talk about it when we fight," the wife said.

"No other time?"

"No," the husband said, confused. "What, like, do we have a money meeting with an agenda? That would be weird."

You know what I think is weird? Fighting for the next forty years of your relationship because you never created a joint vision together. (And besides, who doesn't love the special moment of opening your agenda and seeing an exquisitely detailed document with every relevant piece of information perfectly laid out, including a clickable table of contents and key decisions listed on top? Okay, don't worry, it can be a bit more casual.)

Deep down, many of us believe that those moments of high tension and drama are the only times to have these conversations. You live your life, and then when a financial issue sparks an argument, you deal with it. Think about it: Did you ever see your parents pull out a monthly agenda and calmly discuss finances? The people who believe "money = fighting" almost always grew up seeing their parents, well, fight about money.

In my work with couples, I show them that money can be a normal topic to discuss *before* there's an argument. I encourage them to set up an hour every month to talk about what's on their minds, to offer each other at least one positive compliment about their partner's money management, and to plan proactively for the next month's financial decisions.

You decide what works for you. If other people think it's weird, who cares?

PICKING THE RIGHT TIME AND PLACE

When you talk about money with your loved ones, be sure to consider the timing and setting. For instance, if you decide to bring up money when you're getting your kids ready for school in the morning, it's going to be a stressful, rushed conversation. On the other hand, if you set time aside when you're both refreshed and ready to talk, your chances of a successful conversation go way up. Use the table below to list some of the best and worst times/settings to talk about money.

» **One suggestion:** Think abundantly! What if you decided to celebrate when you talk about money every month? What if you hired a babysitter and went out to a special dinner? Or you started each conversation with a genuine compliment about the other person? You choose how you and your loved one will experience these money conversations.

Best Times/Settings

Worst Times/Settings

What was the best or most enduring lesson about money you've learned from your friends?

» What was the worst or most damaging?

Do you want to be the kind of person who gives generously to loved ones? Why or why not?

[illegible]

Talking Through a Plan for Gifts and Charity

At the end of each year, my wife and I sit down and plan our next year's finances. We create a forward-looking annual Conscious Spending Plan where we work out how much we'll allocate for gifts and donations. For example, we might decide that each gift is going to be \$100. We know how many friends and family members we'll give gifts to, so we bake this into our plan for the year. (And we make sure to add a little extra—usually 10 to 15 percent—for unexpected gifts as well.) We do the same for charity, travel, and other major areas of spending. This process takes it from a “desire”—to be generous, charitable, to travel more—to a real plan.

How would you describe your parents' approach to money and the ways they talk about it?

» Looking back on what you learned from them, what do you agree with? What do you disagree with?

Agree

Disagree

What Would You Do If Your Parents Called and Said, “We Need You to Send Us \$2,000”?

On an early episode of my podcast, I spoke to a Pakistani couple. The husband was struggling with how to respond to his parents' frequent and ever-increasing requests to send them money. As the eldest son, he was expected to come through—over and over again, no questions asked.

If you're Pakistani, Indian, Mexican, Ghanaian, Filipino, or from many other cultures, there's a good chance that you'll immediately understand these expectations. To others, this question might seem surprising, even ridiculous. But to many people around the world, the expectation of helping family with money is real.

We've spoken about the invisible scripts you grew up with (flip back to page 30). You've thought about how your parents modeled money (see facing page). Now I want you to consider how culture has affected your perspective on personal finance.

Cultural expectations are incredibly powerful, yet the rules are never actually written out. Still, you're pressured to follow them—and you face swift punishment if you don't.

Think about the cultural expectations you grew up with. Were you expected to become a doctor or engineer? (I was. So were most of my Indian friends.) Or were you expected to buy a house, have two kids, and move to the suburbs? That's a cultural expectation too, though if you grew up in America, you might not even recognize it as such—that's why it's an “invisible script.”

The solution here isn't to try to change culture singlehandedly. It is to clarify the invisible rules, because once we can see them, then we can start to decide if we actually want to follow them. For the couple above, the son realized that he had never actually said “no” to his parents—ever. He had to redefine his relationship with them and establish that his wife was his first priority. This is a daunting identity change that requires many difficult—but often necessary—conversations.

“Imagine a life
where it’s not
tense when you
bring up money.
Getting there is
an important step
toward building
a Rich Life.”

Growing up, was money an open topic? In what contexts was money discussed?

Are your finances better or worse than those of your parents? How do you think that affects your day-to-day decisions?

WHO DO YOU TALK TO ABOUT YOUR MONEY?

Choose one person for each relationship category and fill in the table.

	FRIEND	FAMILY	OTHER
Name			
Why I talk to them			
Why I don't talk to others			
Who I wish I could talk to			

Why It's Worth Getting Aligned with One Another

When I got married, it would have been easy for me to take the lead in managing our money. After all, this is what I do for a living. And in relationships, usually one person takes a bigger role in important stuff like cooking or lawn work, right?

But money is different. I insisted that we manage our finances together—even when our conversations got really hard. (We had different views of money, different amounts of money coming into our marriage, and different views on what money could do for us.)

Here's why: One day, I might get hit by a bus. No matter if it's tomorrow or fifty years from now, I want my wife to be financially fluent enough to handle the finances of our family.

Another reason: To create a Rich Life, it's important that we both have skin in the game. Think of it like this: Have you ever planned a trip for people where you emailed them all and asked, "What's your travel style?" And everyone replied, "I'm easy. Whatever is fine!"

As the planner, did you then painstakingly construct a day-by-day itinerary, taking into account everyone's preferences, dietary restrictions, and budgets, only to finally arrive and suddenly hear complaining about every meal and destination and activity? No? Only me? I'm getting mad just thinking about it.

You and your partner will never be financially aligned unless you're both involved. Lawn work is one thing. But money cuts across everything in your Rich Life. Your involvement might mean creating a spending plan together, or deciding on what your dream house looks like, or opening up an IRA. You can decide on the division of labor together—but it's important that you're both involved.

Yes, it takes more work up front. But once you're both aligned, it's a lifetime of partnership. That's powerful.

What do you wish a loved one understood about your finances?

» Why don't they understand it yet? Is it difficult to communicate it to them?

SHARING GOOD NEWS ABOUT MONEY

If you wanted to share something positive or happy (e.g., you got a raise), who would you tell first? Who would be last?

Parent

Mentor

Partner

Friend

Sibling

No one

Coworker

» Why these people?

If you made \$1 million, would you tell your friends and family? Why or why not?

THE PERFECT DAY EXERCISE

Some couples could spend the next five years playing whack-a-mole with various financial issues: One partner spends more; the other saves more. One partner wants lavish vacations; the other is fine with cheap motels. And on and on. If you find yourself in the weeds—that is, spinning your wheels on the same issues you’ve talked about over and over—then *stop*. Take a different approach!

Today, I want you to consider what your perfect day together would look like as it relates to money.

» Would you talk about money? When? For how long?

» Would one of you have to goad the other into saving money? Or would money be automatically transferred to savings? If so, how much?

» Would you go out to eat? How would you decide what to order? What would you tip?

» What else would you spend money on during your day together?

Run through these questions with your partner if you feel comfortable. The magic of this exercise is in the details, so get specific. Then find one area of agreement you can start implementing immediately.

1. When I think back to money in my childhood, I remember . . .
2. One thing I want to get better at with money is . . .
3. When it comes to money, sometimes I wish you would . . .
4. What worries you about money? What excites you?
5. If we were more financially successful, what would our lives look like?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

How to Change a Money Pattern in Your Relationship

Maybe you tend to pay for everything and feel taken for granted. Or maybe you agreed on splitting expenses but circumstances have changed and you want to reexamine the agreement. Whatever the pattern, sometimes you need to make a change. Here are three things to know.

- 1. You can usually sense that an agreement requires changing by a single feeling: resentment.** What made sense in the past doesn't make sense anymore, and you resent being held to the old standards.
- 2. Most of us would rather feel that resentment instead of bringing this topic up.** Why? We don't know if we're being unfair. We worry how the other person will react when we don't have the knowledge and skills to change the pattern.
- 3. Once a pattern has been established, it's incredibly tricky to change it.** This is why it's ideal to get things right from the start.

The good news is that patterns can be changed. I've seen it happen over and over. The key is acknowledging the pattern, being crystal clear about what you want, and deciding what you're willing to do—and *not* do—to make the change.

It can go something like this:

"John, I want to have a difficult conversation. It's about a pattern in our relationship that I've noticed, and I want your help to change it. I know that I manage all of our finances, but it's important to me that you're involved too. I need your help in managing our accounts every month, and I think the way we talk about money will improve when we're handling it together. I know this will be a change, but it's important to me."

To help you prepare for these conversations, I've created a table on the opposite page:

**The Money
Pattern That
Bothers Me**

**What I Want
Instead**

**What I'm
Willing to Do
to Change This**

**What I'm Not
Willing to Do**

EXAMPLE

**The Money
Pattern That
Bothers Me**

I currently manage all of our money, including tracking expenses and deciding on investments.

**What I Want
Instead**

I want us to both be involved every month. We can talk about who manages investments and expenses, but I want us to both be spending time and updating the other person.

**What I'm
Willing to Do
to Change This**

I'm willing to bring this up and have an uncomfortable conversation! I'm also willing to share how I manage expenses, and to check in after three months to see if we both feel good about this change.

**What I'm Not
Willing to Do**

I'm not willing to be the only one in this relationship who's responsible for our money. I want a partner.

What are the three most important roles you play both in your life and the lives of those around you? How can you use money to honor these roles and show up fully present in each of them? (Think of roles like Daughter/Son, Mother/Father, Sister/Brother, Romantic Partner, Employee, Friend, Teacher, Leader, Mentor, Student, or Other.)

1 _____

2 _____

3 _____

CREATE AN UNFORGETTABLE EXPERIENCE

Now I want you to visualize what it's like to intentionally involve others in your Rich Life. Imagine you had an unlimited budget to take your family on an unforgettable experience. Where would you go? Who would you bring? Write out the itinerary.

Note: Remember that this is bigger than just your desires. For example, if you bring your parents, they might need more downtime. Younger children might need snacks. Create your vision, then think about what would make this magical and unforgettable for your entire group.

NAVIGATE RELATIONSHIPS AND MONEY CONCLUSION

You don't need a lecture on how important it is to talk to your loved ones about money. What's missing is the *why*. The answer is that you can build a Rich Life that's bigger than you ever envisioned, and achieve it faster, when you're willing to have these candid conversations.

For example, can you imagine telling your partner that you want to buy a sports car one day—and their reaction is excitement? How would it feel if they said, "That sounds amazing—can I help support you in that?"

Here's how to get to that place.

It begins with a foundational question: Do you both realize why it's worth having these money conversations? Most people just skip this.

Next, move to understanding why you feel the way you do about money. For example: What are the invisible influences from your family and culture that have affected the way you view finances? What about your partner?

You can go even deeper: Who are the five people you surround yourselves with most often? How have their views on money influenced you over the years?

Finally, decide on a Rich Life vision together: "If we both were totally aligned on our finances, how would it feel? What would we do more of? What would we do less of? How would our life be different than it is today?"

I want you to flip the entire premise of talking about money with your loved ones, whether it's your partner or parents or siblings. Imagine going from "What if talking about money makes our relationship uncomfortable?" to "What if talking about money lets us be more honest with what we want? What if it brings us together?"

When you're confident and competent with money, talking about your personal finances with others gets much easier. You don't have to agree on everything! But if you agree on the Big Wins, you'll find that you spend less time fighting about what happened in the past . . . and more time looking forward, together.

To start, recognize that there are no secret tricks or silver bullets to make your partner understand your perspective. The only way to build your communication skills is to have these conversations.

Consider the physical space. Are you doing this at home? In public? Who else is around?

Bad: At the park with your kids running around.

Good: At home (or in a familiar and comfortable setting, like a coffee shop) where you and your partner can focus on each other.

Consider time. Is it in the morning or at night? Will it be a thirty-minute conversation or will it drag out for three hours? (My advice: Keep first conversations to one hour max. End on a high note, celebrate how far you came, and pick up the rest another day.)

Bad: Late at night when both of you are tired.

Good: After you've both had coffee and a light meal, and you have sixty minutes carved out for a good discussion.

Consider the framing of the conversation. Is this to "figure this stupid money stuff out" or to "create our Rich Life together"?

Bad: "I keep telling you to stop overspending. What is it going to take for you to finally listen?"

Good: "I love you and I want us to build toward our Rich Life. I have some ideas, but I want to hear yours too. It's really important to me that we do this together."

Be prepared for surprising reactions. The most common one is bewilderment: "Rich Life? We have bills to pay!"

Anticipate being dragged into the logistical weeds: "Fine. I'll pay our bills and you take over the groceries. The problem is that when I shop for us, you always get mad at how much I spend. So what you're saying is you want to be in charge, but you want *me* to do all the work. Is that what you want?" Anticipate this and refocus the conversation back on your Rich Life: "I want to get into specifics soon, but let's keep brainstorming. I want to really understand what *your* Rich Life looks like and what *our* Rich Life could be."

Acknowledge your own weaknesses. Your first conversation is not the place to blame your loved one for anything. Instead, start by talking about why you're bringing this up now. Be a leader by admitting how you're feeling—Nervous? Scared? Excited?—and gently ask them to share too.

Most of all, don't wait. You have everything you need to have a conversation about money right now.

7

BUILD YOUR MONEY CONFIDENCE

Imagine grabbing a long lunch with a couple of old friends. As you walk back to your car, you notice something stuck to the windshield: a \$68 parking ticket.

How would you react?

This happened to me a few weeks after I moved to Los Angeles. When I saw the ticket, I stopped and realized this was a special moment: “My first parking ticket—now I *really* live in LA.”

Years before that, however, something like this would have ruined my entire day. “What? It wasn’t even five minutes past the deadline! How could they do this? Ugh. This isn’t fair.” This reaction is filled with what I call “hot” emotions, like anger, disbelief, and guilt. But as I’ve worked on my money confidence, I’ve learned to transform those reactions into a sense of calm and cool. Now, I might say, “It happened, it was my fault, and I can pay for it.” That’s it! No drama, no anger, just taking these minor money situations in stride.

I call this taking it “from hot to cool.” It’s a powerful mindset you can apply to all the difficult areas of your life—especially money.

Here’s another example. Imagine you go out to dinner with friends. Someone orders extra appetizers and a \$100 bottle of wine that you didn’t even drink—yet everyone plans to split the bill.

- » **Hot:** You freak out. “Oh my god, I’m never doing this again.” You think about it all night, resent your friends, and vent about it the next day on Reddit, which I gleefully read on /r/AmITheAsshole while sipping my morning coffee.
- » **Cool:** You shrug and feel grateful for a fun night out. Perhaps you’ve already created an “Unexpected Expense” fund and you can afford to be generous. Or you speak up and ask for a separate check—no big deal. It’s up to you. But you remain completely calm and confident.

Cool confidence means you can handle any financial situation that life throws at you. So how do you get to that level? It’s not through affirmations or power poses. As you know, I don’t buy motivational posters that say “You are enough” or “Just Breathe” to hang in my kitchen.

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You know what made me confident about money? Becoming competent with it.

- » I learned my numbers so I knew how much I was earning, how much I was spending, and how much I was saving and investing.
- » I changed my money behaviors. I set up automated money flows so that my money got invested without me doing anything.
- » I started spending on the things I loved and cut back on the things I didn't.
- » I stopped worrying about small expenses and created a Worry-Free Number (we'll learn more on page 158).
- » I got comfortable with the idea of making mistakes, accepted that they're inevitable, and understood that I will find ways to recover from them.

Now, let's acknowledge an obvious truth: It's much easier to be confident with money when you have enough. That's why I wrote *I Will Teach You to Be Rich* in the first place!

But I can tell you that merely accumulating more money will not change the way you *feel* about it. I know many, many multimillionaires who are still consumed with hot emotions about their money, like guilt, jealousy, anger, and shame.

I consider that a tragedy. Why? Because a Rich Life is lived outside the spreadsheet. In addition to earning and investing money, you have to be confident enough to remain cool and to use that money to create your Rich Life.

Money confidence is knowing that a \$68 ticket won't hobble you. It's knowing that sometimes to be a good friend, you shut up and happily pay for dinner. And it's knowing that you can build confidence through competence. Without that money confidence, you can grow your bank account, but you'll always feel scarcity.

My trainer once said that he wanted me to be able to walk into any gym and do any exercise. I want the same thing for you with money: I want you to be so confident with your money, you can handle anything life throws at you.

[illegible]

“WHY I’M WORTH A RAISE.”

Most of us are adept at creating reasons why we *shouldn’t* ask for a raise. Let’s flip that: Write out five reasons you’re worth being paid more for your role. (If you’re a freelancer or entrepreneur, adapt this for your pricing structure.) Be specific by including results you’ve driven and competitive salary information you find online.

1 _____

2 _____

3 _____

4 _____

5 _____

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

On my podcast, I was pleasantly surprised by one couple with a lot of debt. They were more confident than most couples I speak to, even ones with a fraction of that debt.

I found this inspiring. This couple, with more than half a million dollars owed, were still calm, confident, and secure in their relationship. It shows that while the amount of debt obviously matters quite a bit, we also have control over how we react emotionally to our financial situation.

Think of a recent financial situation where you played defense with money. (Maybe you were approaching a decision from a place of scarcity, or you minimized your desires.) If you could go back in time and play offense, what would you do differently?

Playing Defense versus Playing Offense

So many of us are accustomed to worrying about money that we spend our entire lives playing defense. We've lost the skills to even know what playing offense looks like.

DEFENSE

"How can I save \$1,000?"

"What if I lose money by investing?"

"What if this book is a waste of money?"

"What if my business idea doesn't work?"

OFFENSE

"How can I negotiate a raise?"

"I'm already losing money every day by *not* investing. I'll get educated and then start investing."

"What if it changes my life?"

"What if it DOES work?"

Get Unblocked from Your Rich Life

A reader recently messaged me a couple of times on Instagram, asking if she should use USAA Bank. (I get a variation of this question every day.) When I got a chance to reply, I asked her how important she thought her question was on a scale of 1–10. She admitted it was a 3.

Then I asked her why she had messaged me about this so urgently. Her reply: “Well, it seems like a part of the foundation of my Rich Life journey.”

I can understand why she believes that. It sometimes feels like you can’t move forward until you get a financial question answered, whether it’s picking the right bank, prioritizing your credit card debt, or making the perfect investment. In reality, though, she let an obstacle hold her back—for weeks. That’s too long to let *any* question paralyze you.

And in this example, it was something as unimportant as her bank account! USAA is fine! What’s the worst that could happen? You pick the wrong account, then change it six months later? Just get 85 percent of the way there, pick something, and move on.

» What’s something that’s been holding you back from designing your Rich Life?

» What could you do by the end of the week to get 85 percent of the way there, make a decision, and move on?

Now pick an area—the most important, meaningful one—and go into even more detail on how you could get unstuck and reach clarity on your question. Get specific by carving out days and times you can answer this within the next two weeks.

Week 1

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

For example, if you're not sure how much you owe, you could set aside two hours on Saturday morning to find your student loan envelopes and call to get your total balance.

Week 2

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

A Worry-Free Number

Do you ever worry about the price of a pack of gum? Of course not. The cost is so insignificant that it won't affect you.

This is the power of a Worry-Free Number, or a number that's so small, it's not even worth thinking about. We can use this concept to be more intentional about what we *should* focus on.

The gum example makes sense, no matter what your financial situation is. A \$2 pack of gum? Who cares? But as our finances grow, we rarely update our Worry-Free Number. I speak to lots of millionaires who still obsess over the price of an extra pair of headphones or a nice webcam for their home office. Proportionally, those headphones cost the same as the gum.

By picking a Worry-Free Number, you free yourself from these tiny concerns so you can focus on what's really important. That number could be \$5, \$50, or even \$5,000.

For example:

- » If it's \$5, you're not going to worry about the price of a latte.
- » If it's \$50, you don't need to worry about taking an Uber to the airport.
- » If it's \$5,000, you won't think twice about flying first class on your next trip.

A good rule of thumb for your Worry-Free Number is how much you make in one hour. To calculate that, take your annual income, divide it by two, and knock off the three zeros. If your annual income is \$60,000, you make \$30 an hour: $\$60,000 \div 2 = \$30,000$, or \$30/hour.

That's where your Worry-Free Number starts. Adjust as necessary.

"My Worry-Free Number is _____, which means that I will never worry about buying (1) _____, (2) _____, and (3) _____."

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- » “I should ask for a raise, not wait for my boss to give me one.”
- » “I should run the numbers on buying versus renting, not simply listen to the advice of others.”
- » “I should learn how to invest, not wait for my partner to handle it for me.”

“Confidence
comes from
competence.”

3

FILL IN THE BLANK

Think of someone you admire for their relationship with money (e.g., they're generous, they love celebrating, or they wear beautiful clothes). It can be someone you know, or if you can't think of anyone, pick a celebrity or even a TV character.

Who You
Admire

The
Qualities
You Admire
about Them

How You
Could
Apply These
Qualities
to Your Life

Three Signs Someone Is Financially Sophisticated

1. They know their numbers cold: savings rate, asset allocation, debt payoff date, goals.
2. They engage in creative, even extravagant spending on the things they love. They're not penny-pinchers. They have a strong point of view on money that fits their life.
3. They actively work on improving their money psychology.

Let's play a game of low money confidence versus high money confidence. How would each type of person respond to the following situations?

	LOW-CONFIDENCE PERSON	HIGH-CONFIDENCE PERSON
You're on vacation and get food poisoning, meaning you can't visit all the places on your itinerary.		
You realize that you have more money in your bank account than you thought.		
Your car suddenly needs new tires, which will cost \$750.		
You're recognized at work for doing a great job and get an unexpectedly large raise.		
Your parents recoil at the cost of something new in your house, saying, "You spent <i>that much</i> ? That's ridiculous!"		

“Life is not a Disney movie—nobody’s coming to save us. When we finally internalize this hard truth, we can start to build confidence and take control of our lives.”

Design your personal checklist for being confident with money. Here are the first five questions you should be able to answer:

1 How much do I owe? _____

2 How much do I make? _____

3 What percent am I saving and investing? _____

4 What are the things I want to spend MORE and LESS on?

5 What are my invisible scripts about money? (Look back at page 48, where you already listed some of these.) How do they affect my confidence?

Once you've answered those, you should next work on answering these five questions:

1 What's my debt payoff date? (If you're not sure, you can search online for a "debt payoff calculator.") _____

2 When will I have \$100K/\$1 million? _____

3 When will investments generate more than salary? (You can search online for a "compound interest calculator.") _____

4 Which Money Beliefs have I changed in the last five years?

5 How can I adjust my Money Dials to build my confidence?

BUILD YOUR MONEY CONFIDENCE

CONCLUSION

Think of the last time you had some minor inconvenience that had nothing to do with money. Let's say you spilled your coffee on the floor, for instance. What happened next?

Nothing! You cleaned it up with some paper towels and went about your day. No big deal. You were confident enough to know what to do, and so you handled it and moved on.

My goal is that you reach this level of confidence with your money—to feel assured that you can handle it when things go wrong. (Coffee spilling isn't an existential crisis. Neither is being anxious about a minor financial decision.) With confidence, you'll be able to look at money as a source of joy, adventure, and possibility.

To do that, in this section we started with your psychology: You thought about which financial scenarios make you feel hot and cool emotions. You looked at how playing defense and offense with money affects your confidence. And you wrote down how you want to feel when future financial situations arise.

This process is exactly what top performers do: They plan before they need to. They visualize different scenarios and role-play how they want to respond. And this allows them to influence the direction of their life—not simply react to what happens to them.

We finished the section by looking at how confidence comes from competence. Know your numbers. Be fluent in the basics of your finances. How much do you make and owe? What's your savings rate? What is your asset allocation?

It's normal to feel uncertain about some of these areas of money. Some people don't understand taxes. Others get nervous about knowing if they have enough. That's fine! I asked you to write it down, then create a plan to learn more. I cover the answers to all these questions in my newsletter at iwt.com. Or ask a friend who's more knowledgeable. Whatever it takes, I want you to find an answer to your top financial question in the next two weeks. Momentum builds confidence!

So, here's what I want you to do now: Pull out your phone. Pick three close friends you can text. (Do it now! It will take thirty seconds.) Send

them this: “I’m trying an experiment. What do you think I’m good at? What would you come to me for advice on?”

Write down what they say. How does that change your feeling of confidence in those areas? It might feel weird, but in almost 100 percent of cases, people who’ve done this exercise were surprised by the responses.

- » The first thing I hear is the discomfort with asking others for their input. We’re so nervous about asking for anything—about “wasting” someone’s time—that we don’t realize *our friends want to help us*.
- » Next, most people are shocked that their friends respond at all. For such an unusual request, a lot of us expect to be ignored! But our friends’ responses show us how important we are to them.
- » Most people receive an answer or two that they already knew about. But quite often there are unexpected responses, like “You once gave me some relationship advice that’s stuck with me . . . I’ll never forget it.”

The takeaways here are directly relevant to building your money confidence. So many of our invisible scripts (“She’s so busy . . . I don’t want to waste her time”) are simply untrue. By interrogating them, we can distinguish what we merely believe and what’s real.

Remember we don’t have to do this alone. We have so many resources to help us, including friends and loved ones, books, and programs. Use them! Asking for help is a sign of strength, not weakness.

Confidence comes from realizing that the stories we tell ourselves are often different than what the world perceives. We might believe the rich are evil . . . but if you talk to a rich person you admire and ask how they achieved their success, you might find that you really like them. Switch from disparagement to curiosity.

Yes—you can become more confident about money. In fact, take a second to pause and appreciate what you’ve accomplished through these exercises. You’ve just hiked up a huge mountain of your own personal psychology. Look around and take in the view. You did it! Take the win!

By now, you’ve designed your Rich Life, rewired your own Money Beliefs, and created your own Money Rules. You know how to handle money situations you wouldn’t have known how to approach even a week ago. That’s confidence!

Now let’s get back to climbing.

8

MAKE YOUR
RICH LIFE
RICHER

Think of a special occasion coming up this year, like an anniversary or birthday. Now imagine I gave you a challenge: *How could you make it magical?* Not just a “nice” dinner, for instance—an incredible one. Not just the usual birthday celebration—an extraordinary night that you’ll never forget.

What would you do differently?

In this section, we’re going to talk about dreaming *bigger* to use money to create memorable, meaningful, magical memories.

This is important. I want you to know exactly how you’ll spend your money as it grows, all the way down to the exact hotel where you want to stay, or the unexpectedly generous amount you want to donate to your local charity. I want you to visualize what it will feel like to hand over a 30 percent tip—or even 100 percent!—to your server. Getting into this level of detail is a key part of what makes a Rich Life worth living. You’ll start to see the pieces of your Rich Life coming together.

After our wedding, my wife and I took a long honeymoon. On the last day, she told me something I’ll never forget. “Usually, I would be sad at the end of a trip like this,” she said. “But I know we can always come back.”

Now *that’s* abundance. When we travel, we don’t have to see and do everything on our itinerary, because we know that we can stay for an extra day or two if we want—or just come back next year.

This section is also personal for me because of something I experienced in my childhood. Growing up, there were certain places where I felt I belonged, like our temple and the local pizza place in our neighborhood. But there were other places—like expensive clothing stores, luxury hotels, and the front of the airplane—that I knew weren’t for me or my family.

As I got older, I started to wonder what kind of people went in those stores. Why did a certain restaurant charge ten times more than our pizza place? What could ever be worth *that much money*?

Looking back, I’ve always wanted to know what drives the very best in the world, like top athletes, Nobel Prize-winning scientists, and special forces in the military. But my curiosity was also competitive: If someone else could afford to go in there, I wanted to know how *I* could do it too.

In money, that sense of curiosity can open your eyes to many new possibilities. Yes, there are people who spend a huge amount on clothes or cars or travel. Good! Let’s try to understand why they do it. It doesn’t mean we have to agree, but let’s first assume they’re making good decisions. What do they know that we don’t?

The ability to see new opportunities can have profound effects on your life. One of my readers sent me this note about buying back her time:

"I have someone who comes to my house and preps all the meals for the entire week. She does it in two to three hours, and probably an hour of menu planning. I am actually SAVING money by having her come and prep food in my kitchen, because before, I would work too much, get hangry, and then do delivery three to four nights a week. I thought a chef was for the ultra-rich. Turns out it's cheaper than DoorDash. And healthier."

Here's the most important takeaway from that example: She was able to change her identity as "the kind of person who does this."

Don't worry if you can't afford some of these dreams today. In my experience, when you develop a crisp vision of a Richer Life and you patiently focus on saving for it, you'll treasure it that much more when you get there.

Over time, I got to experience many of the things I wondered about as a kid. I stayed at nice hotels and ate at nice restaurants. Some of them were just okay—I tried it once and I don't need to do it again. Others were incredibly meaningful, and I now understand why someone would pay a lot for the experience. My wish is for you to dream big enough that you can experience these meaningful moments in your life. Then you can decide.

So now it's your turn to think bigger. You've already dreamed about and written down your vision—what's next?

Think beyond appetizers. What if instead of taking the same old summer trip, you invite four friends? What if instead of donating once every year to your local homeless shelter, you donate every month?

If your first reaction is "There's no way," I want to encourage you to stop reading and shake yourself out of the common pattern so many of us have: coming up with reasons that something won't work.

I believe you! There are lots of reasons those examples I just gave you are a terrible fit for you. Adapt the examples for your situation. Take the approach of "I'm going to find reasons this *can work*." And remember that there is real joy in creating a big, abundant vision of your Rich Life.

So let's get to it.

[illegible]

Send a loved one a gift you know they'll appreciate. On the card, write, "I was thinking about you." What was their reaction?

[illegible]

Write down your vision of who you are in ten years. Where are you living? Who do you see on a Friday or Saturday night? And if you look at how you spend your time, how much is spent at work versus pure leisure?

[illegible]

Now think bigger. Write down another vision of who you are in ten years. This time, you're even more successful than you originally thought.

Where do you live?

What neighborhood?

What type of home?

**What are you doing
in your career?**

What's your job title?

**How many hours
do you work?**

**What type of recognition
do you receive for your
contributions?**

**How many people want to
spend time with you? How
rich are those personal
relationships?**

**What opportunities
have you created to
build and nurture a deep
relationship with your
loved ones?**

Now dream huge! I want you to write down your wildest vision of success ten years from now. Don't hold anything back.

What's your lifestyle?

What time do you wake up?

Can you work remotely?

Are you in control
of your time?

What are you
passionate about?

Do you have a deep
purpose that excites you?

Are you extraordinarily
well compensated for
the work that you do?
How well?

What role does money
play in your life? Is it
not the primary
problem anymore?

Have you "won" the
game of money?

Are you now looking for
more meaning instead of
simply accumulating more
money?

[illegible]

- » Go to a concert when you don't know the performer.
- » Try a totally different dish at a restaurant.
- » Add an extra day of vacation that you don't "need."

Why “Wasting Money” Is Okay

Growing up, I was always worried about wasting money. It made sense—because I didn’t have much!

But I’ve since changed my perspective. I sincerely believe this: Once I cover my basic financial needs, it’s totally fine to waste a certain amount of money every year. In fact, I *expect it*.

Here are some examples:

- » **Buying books.** I think books are one of the best values on Earth, so I created Ramit’s Book-Buying Rule, which says, “If you’re ever considering a book, just buy it.” The result is that I buy tons of books every year. Some of them, I love. Others are still sitting in my queue. And a few I hate within the first thirty pages. Did I “waste” my money on them? Yes, I guess you could say so. But I also discovered twenty other books that changed my life.
- » **Going to a talk.** I attend a lot of weird talks. I bought access to a webinar to learn how architects design houses—and loved it. I attended a tea-making ceremony—not really my thing. And my wife and I attended a magic show over Zoom—that was awesome. Some of these are hits, others are duds. But in order to find the life-changing experiences, you should anticipate incurring a little waste.
- » **Business expenses.** One of my coworkers paid a filmmaker to edit some of my Instagram videos for about \$20 a pop. One day, we got a video back and I didn’t like it—it just didn’t feel right—so I recorded my own video. My coworker came to me and said, “You know, we just wasted \$20.” I simply smiled, because in the grand scheme of things, \$20 makes no difference to me. In fact, I expect that if we paid \$200 for ten videos, that we’re probably going to toss at least three or four of them. That’s just the cost of doing business. But when I had started with money, I would have been super rigid: “We spent \$200, we need to use it all!” (Or “We paid for an all-you-can-eat buffet, so we need to stuff ourselves!”) Now I can relax, knowing that we’ve planned and budgeted for videos, knowing not every single one will be completely perfect.

We're so afraid of "wasting" money that we rarely take a risk. So we order the same things at restaurants. We all go to see the same monuments and museums in the same cities. We focus on what could go wrong—not what can go right.

I discovered magic when I accepted that a little waste is perfectly okay. Of course, I want to be mindful. I want to monitor my spending and stay within my own limits. But most of us are so far to the side of "petrified of waste" that I want to nudge you to take more risks.

Here's how: Create that "Taking Risks" sub-savings account on page 177 and put \$50 in it every single month. Just automate it. My goal for you is to try something risky, something new, all the time. And most of that time, I want you to expect that you're going to fail. The waste is worth it.

“We’re so afraid of
‘wasting’ money that
we rarely take a risk.
We focus on what
could go wrong—not
what can go right.”

Many people dread Mondays. In fact, they talk about the “Sunday Scaries” when they start thinking about another week at work! In your true Rich Life, what would your ideal Monday look like? What would you see when you wake up?

» Think about your surroundings. What would your ideal bathroom look like? Your fridge?

» What’s in your calendar for the rest of the day?

What would you like to accomplish this year so you will feel that yours is a life well lived?

Work

Personal

Family or Loved Ones

Other

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

PROMISE YOURSELF

What promises can you make to yourself to ensure you live your Rich Life? For example, "I promise to always give \$5 if I see someone on the street who needs it." Or "I promise to treat myself to one special trip per year." Or even, "I promise to never end up stingy like Uncle Joe."

» I promise _____

» I promise _____

» I promise _____

» I promise _____

» I promise _____

» I promise _____

[illegible]

[illegible]

MAKE YOUR RICH LIFE RICHER

CONCLUSION

When I went on book tour, there was a woman in Pasadena, California, who raised her hand to volunteer for my Money Dials exercise. Let's call her Nicole. I asked her what she loved spending money on.

"Clothes! I love Topshop," Nicole blurted out. You could hear in her voice the excitement of finally being able to share that passion—combined with embarrassment over the seeming frivolity of it. The entire room instantly loved her.

I asked what she would do if she could quadruple her spending on clothes. Nicole grinned. "I would have boxes of clothes *everywhere*." The audience lit up with laughter.

"Okay, imagine you're doubling, quadrupling, even 10x-ing your spending on clothes. Where would you shop?"

She got very quiet, then said, "I don't know. Topshop, I guess?"

This was the moment I was hoping for. When we think about our Rich Life, we often get stuck imagining how to make it bigger. She reacted like so many others for whom I've asked this question: "If I like clothes and I can quadruple my spending, I'll just buy four times as many clothes!"

But there's another way. I gently pointed out that if she spent extravagantly on the things she truly loved, she might not shop at Topshop anymore at all. I suggested she might instead purchase clothes from a higher-end store, or even one day fly to Italy to get a beautiful custom coat designed. And she could take her mom along to buy matching coats together.

We usually think "richer" is synonymous with "bigger," and we think of bigger as "more," like shopping at Costco. But as you get older, you realize that bigger can mean very different things. Look back over your answers in this section and you might discover that "bigger" might mean taking risks to create new and life-changing experiences, or balancing the time you spend doing work vs. leisure.

Nicole realized she'd been thinking about her Rich Life in a linear way: More spending equals more boxes of clothes. But she could redefine

bigger to mean a different brand, a different level of quality, and even the transformative experience of sharing the purchase with her loved ones. This is the beauty of making your Rich Life *richer*.

When people truly internalize this concept, it often shatters their view of money. They go from thinking linearly to seeing that money can be multidimensional and memorable. Suddenly, the possibilities are endless. Many of them tear up as it sinks in that they've only been scratching the surface of their Rich Life. Watching this moment of realization is one of my greatest joys in life.

Think back on my mantra: "Spend extravagantly on the things you love, as long as you cut costs mercilessly on the things you don't." Most of us gloss over the word "extravagantly" because we assume it just means obscene luxury.

No! Even though there's nothing wrong with spending on luxury, it's hardly the only way to create your Rich Life. It can mean reserving a special table that's quiet, so you and your partner can have an important conversation. It can mean hiring someone to help you around the house, and paying them generously. It can mean getting faster and better results by exercising with a trainer or coach.

Interestingly, a richer Rich Life also provides focus; you can be more selective with what you keep around you. If you decide something isn't important anymore, you can let it go. No guilt, no shame—your new decisions have the emotional impact of rearranging your kitchen. It's fine! Your Rich Life is yours, and you know you're crafting a life that fits you perfectly.

You can choose how big you want to go, and what big means to you. My dream is that your definition of "big" continues to grow in depth, scale, and generosity over the course of your entire life.

AFTERWORD

I once spoke to a couple who were fighting about renovating a bathroom. She wanted to do it; he thought it was a waste of money. As we got into the work of visualizing their Rich Life, they both said something that I'll never forget.

Her: "That's the problem—if we keep going on like this, life will be 'fine.' We don't want our lives to be just fine, though. We want it to be better than fine. We want it to be great."

Him: "Okay . . ."

Her: "Well, no, we would. We want our lives to be better than fine!"

Him: "Yeah . . . but it depends, right?"

Here's a couple who couldn't even agree if they wanted their lives together to be better than just "fine"!

The real issue was that he had no vision for the future. Money was simply something he worked for, saved, and then . . . that was it. Simply put, he had forgotten how to dream.

Of course, as children, we instinctively know how to dream and play. We create imaginary worlds and tell stories to anyone who will listen. But as we get older, somehow that magical quality gets drummed out of us. In many ways, this whole book has been about bringing you back to that childlike place of dreaming bigger.

I wrote this journal because I know the importance of dreaming. (Sure, there are mechanics of setting up tax-advantaged accounts and automating your investments, and for the nuts and bolts of personal finance, I do encourage you to read my book *I Will Teach You to Be Rich*.)

But there's another part of money psychology that's ignored, because deep down, most of us think that if we hit a certain number in our bank account, our lives will magically change. In reality, however, if you reach

that number, whatever it is, your money behavior will not automatically update to match your newfound financial health. Even more damning: You will not instantly overcome a lifetime of restriction when your bank account hits a certain benchmark, not even if it's \$5 million. I talk to multimillionaires every week who struggle to "splurge" on dessert.

I also wrote this journal because whenever I ask people about their Rich Life, they give me vague answers. "I want to travel!" Yes, I like breathing oxygen too. Let's get specific!

So congrats to you on doing just that by crafting and designing your own Rich Life. I suspect this is the most time you've ever spent thinking—really, painstakingly deliberating—about what you want your life to look like both now and in the distant future.

I believe this will be some of the most valuable time you ever spent.

And I hope this journal helped you clarify what you value. Some of it may be luxury and glamour. Some of it might be simplicity and family. Your Rich Life is yours.

I do have one last exercise for you: Flip back through this book and appreciate how far you've come. For instance, start by looking at what you wrote at the bottom of page 9 and your Rich Life Bucket List on page 14. Now compare those early answers to the vivid details of buying your happiness on page 105, the integration of money and relationships on page 141, and the confidence of developing your Worry-Free Number on page 159.

Notice the difference in scope, specificity, and imagery.

Like a great artist, you've truly designed your Rich Life. Well done. You deserve to celebrate!

Once you're ready for the next step of building your Rich Life, join me at iwt.com.

WHAT'S NEXT?

Now that you've designed your Rich Life, what's next? Use our in-depth training courses to get extraordinary results in money, careers, business, and psychology.

EARNABLE

Turn your skills into a business that pays you to live the life you've always wanted. Earnable shows you how to find a business idea, land paying clients, and earn more while building your Rich Life.

FIND YOUR DREAM JOB

The classic course that's helped thousands find—and land—the job of their dreams. Learn how to identify your dream job, interview and negotiate for it, and get it. Including massive salary increases.

MONEY COACHING WITH RAMIT

Get direct answers from me in a monthly group coaching program where we cover taking control of your money, automating your investments, and living your Rich Life.

MENTAL MASTERY

How to go from “good” to “great” by developing the deep inner skills of winners—and gain an instant edge in your work, business, and relationships.

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RAMIT SETHI, author of the *New York Times* bestseller *I Will Teach You to Be Rich*, has helped millions of people live a Rich Life with their money, careers, businesses, and psychology. His newsletter covers money confessions, negotiation tactics, and Ramit's Rants at iwillteachyoutoberich.com. His new podcast, *I Will Teach You to Be Rich*, reveals real stories about love and money from behind closed doors. Follow him on Twitter and Instagram: @ramit

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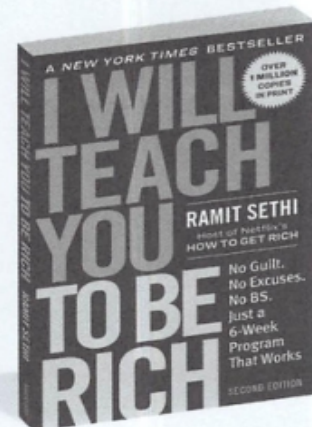
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